

MCNAIR LAW FIRM, P.A.
ATTORNEYS AND COUNSELORS AT LAW

NATIONSBANK TOWER/1301 GERVAIS STREET
COLUMBIA, SOUTH CAROLINA 29201

MAILING ADDRESS:
POST OFFICE BOX 11390
COLUMBIA, SOUTH CAROLINA 29211
TELEPHONE 803/799-9800
FACSIMILE 803/799-9804

CHARLESTON OFFICE
140 EAST BAY STREET
POST OFFICE BOX 1431
CHARLESTON, SC 29402
TELEPHONE 803/723-7831
FACSIMILE 803/722-3227

GEORGETOWN OFFICE
121 SCREVEN STREET
POST OFFICE DRAWER 418
GEORGETOWN, SC 29442
TELEPHONE 803/546-6102
FACSIMILE 803/546-0096

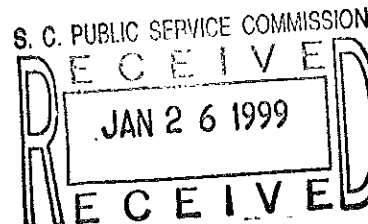
GREENVILLE
105 EAST NORTH STREET
POST OFFICE BOX 447
GREENVILLE, SC 29602
TELEPHONE 864/271-4940
FACSIMILE 864/271-4015

HILTON HEAD ISLAND OFFICE
THE JADE BUILDING, SUITE 204
52 NEW ORLEANS ROAD
POST OFFICE DRAWER 7787
HILTON HEAD ISLAND, SC 29928
TELEPHONE 803/785-5169
FACSIMILE 803/842-3310

MYRTLE BEACH OFFICE
FOUNDERS CENTRE/SUITE 403
2411 OAK STREET
MYRTLE BEACH, SC 29577
TELEPHONE 803/444-1107
FACSIMILE 803/444-4729

SPARTANBURG OFFICE
SPARTAN CENTRE/SUITE 306
101 WEST ST. JOHN STREET
POST OFFICE BOX 5137
SPARTANBURG, SC 29304
TELEPHONE 864/542-1300
FACSIMILE 864/542-0705

January 25, 1999



Mr. Gary E. Walsh
Executive Director
South Carolina Public Service Commission
101 Executive Center Drive
Koger Center, Saluda Building
Columbia, South Carolina 29210

Re: Application of ALLTEL Communications, Inc., for a Certificate of Public Convenience and Necessity to Operate as a Provider of Local Exchange Telecommunications Services in the State of South Carolina

Dear Mr. Walsh:

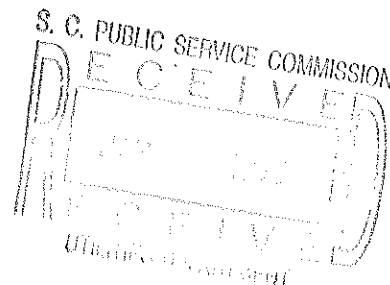
Please find enclosed for filing an original and (10) copies of the Application of ALLTELL Communications, Inc., in the above-referenced matter.

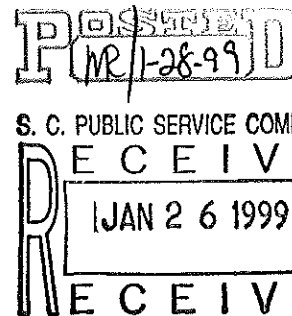
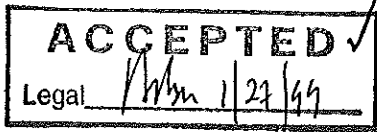
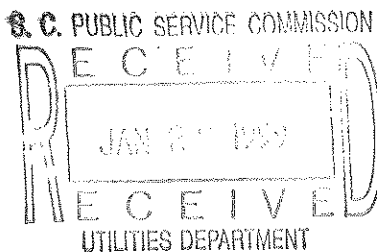
Please clock in a copy and return it with our courier.

Very truly yours,

M. John Bowen, Jr.
M. John Bowen, Jr.

MJB/mbd





BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

Docket No. 1999-050-C

RE: Application of ALLTEL)
COMMUNICATIONS, INC. for a)
Certificate of Public Convenience and)
Necessity to Operate as a Provider of Local)
Exchange Telecommunications Services in)
the State of South Carolina.)

APPLICATION

Pursuant to § 58-9-280 of the Code of Laws of South Carolina, ALLTEL Communications, Inc. (hereinafter "Applicant" or the "Company") submits its application for a certificate of public convenience and necessity seeking authority to provide local exchange telecommunications services within the state of South Carolina.

Applicant provides the following information in support of its application:

1. The correct name, address and telephone number of Applicant is:

ALLTEL Communications, Inc.
One Allied Drive
Little Rock, Arkansas 72202
(501) 905-8000/8460

2. The correct name, address and telephone number of Applicant's legal counsel in the state of South Carolina is:

M. John Bowen, Jr., Esq.
Margaret M. Fox, Esq.
McNair Law Firm, P.A.
Post Office Box 11390
Columbia, South Carolina 29211
(803) 799-9800

3. The regulatory contact person for the Applicant is:

Bettye Willis
Manager - State Regulatory Matters
ALLTEL Communications Service Corporation
One Allied Drive
Little Rock, Arkansas 72202
(501) 905-5692

4. Applicant is a subsidiary of ALLTEL Corporation ("Parent"). Applicant is a Delaware Corporation, which was incorporated August 16, 1995 as ALLTEL Long Distance, Inc. Thereafter, Applicant changed its name to ALLTEL Communication, Inc. on June 20, 1996, and to ALLTEL Communications, Inc. on November 25, 1996. Copies of the Applicant's Certificate of Incorporation and Certificate of Authority to Transact Business as a Foreign Corporation in the state of South Carolina are attached to this application as Exhibit A.

5. By Order No. 96-424 in Docket No. 95-053-C this Commission issued a certificate of public convenience and necessity authorizing Applicant to operate as a reseller of interexchange telecommunications services within the state of South Carolina. By letter dated April 14, 1998, Applicant notified this Commission of its intent to operate as a facilities based interexchange telecommunications service provider in the state of South Carolina.

6. Through this application Applicant seeks certification to provide any and all telecommunications services legally permissible to local exchange providers using facilities to be owned or leased by the Applicant. Such services may be sold to residential and business customers, and to other carriers.

7. Applicant has the financial, managerial and technical ability to render local exchange telecommunications service. Applicant, and its executives and employees, have extensive experience in providing telecommunications service including local exchange service. Parent also owns local exchange carriers operating in fourteen states, specifically in Alabama, Arkansas, Florida, Georgia, Kentucky, Missouri, Mississippi, North Carolina, New York, Ohio, Oklahoma, Pennsylvania, South Carolina and Texas.

8. Applicant's Financial statements and Parent's most recent Form 10-K, filed with the Securities and Exchange Commission, are attached to this document as Exhibit B and intended to support the Applicant's financial capability to provide local exchange telecommunications service.

9. Applicant's officers have substantial managerial experience in the provision of local exchange services in other states. Exhibit C describes the experience of the key operating officers to show Applicant's managerial ability to provide the proposed services.

10. Applicant will provide local exchange telecommunications services through the use of its own facilities and resale of services purchased from other carriers. Applicant will acquire or lease facilities as needed.

11. An Illustrative local tariff is attached to this document as Exhibit D. A price list with initial rates will be filed with the Commission once Applicant has a resale/interconnection agreement in place. The Applicant also requests that the Commission regulate its local exchange telecommunication services in accordance with the principles and procedures established for flexible regulation in Order No. 98-165 in Docket No. 97-467-C.

12. Granting this application is consistent with the public interest and will allow customers and potential customers of local exchange telecommunications services to receive high quality, reliable, local exchange services at competitive prices.

13. The applicant agrees to abide by all applicable and lawful statutes, and orders, rules and regulations of the Commission.

WHEREFORE, ALLTEL Communications, Inc. respectfully requests that this Commission grant Applicant a certificate of public convenience and necessity authorizing Applicant to provide local exchange telecommunications services within the state of South Carolina and regulate Applicant's rates and tariffs in accordance with the principles and procedures established for flexible regulation, as more fully described herein.

Respectfully submitted this 22nd day of January, 1999.

McNAIR LAW FIRM, P.A.

By: 

M. John Bowen, Jr.
Margaret M. Fok
Post Office Box 11390
Columbia, South Carolina 29211
Telephone: (803) 799-9800

Attorneys for ALLTEL Communications, Inc.

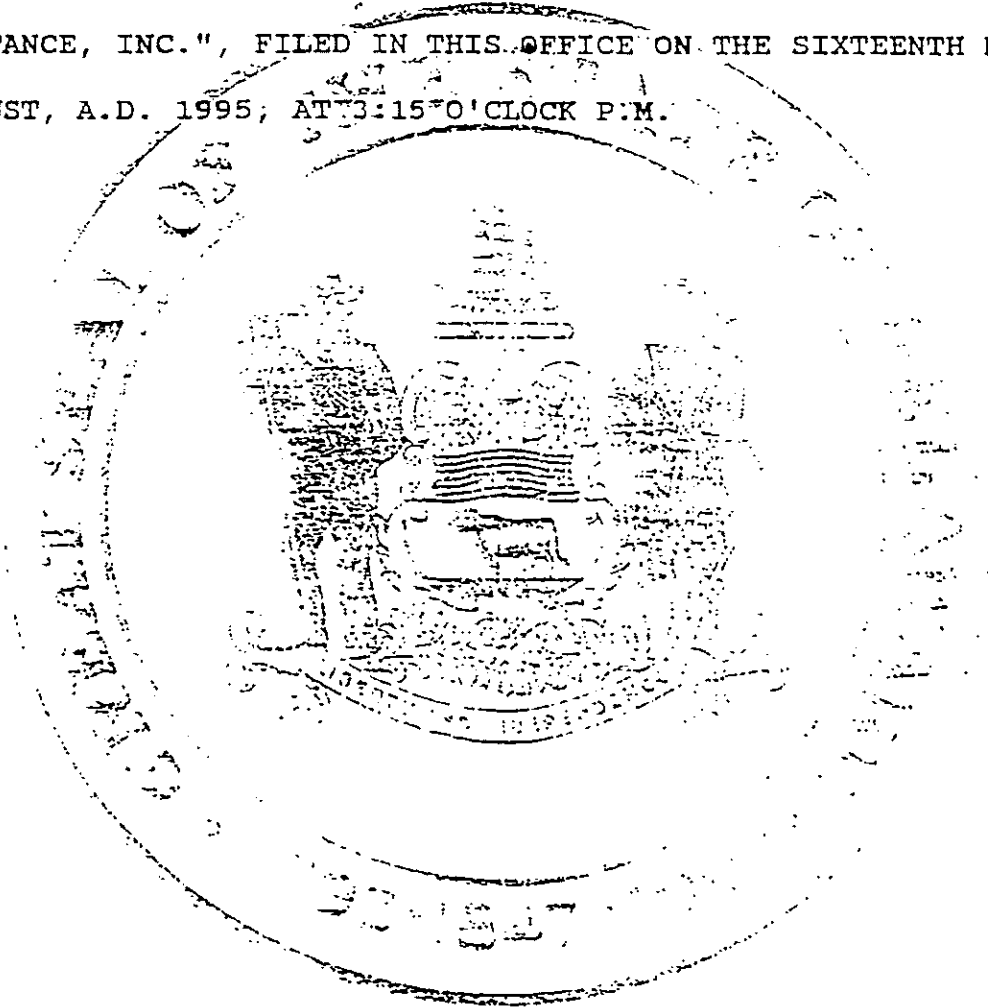
EXHIBIT A

Applicant's Certificate of Incorporation and Certificate of Authority to Transact Business as a Foreign Company

CERTIFICATE OF INCORPORATION

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "ALLTEL LONG DISTANCE, INC.", FILED IN THIS OFFICE ON THE SIXTEENTH DAY OF AUGUST, A.D. 1995, AT 3:15 O'CLOCK P.M.



Edward J. Freel

Edward J. Freel, Secretary of State

2534400 8100

960012931

AUTHENTICATION:

DATE:

7790306

01-16-96

8-16-95

**CERTIFICATE OF INCORPORATION
OF
ALLTEL LONG DISTANCE, INC.**

The undersigned, desiring to form a corporation for profit under Delaware General Corporation Law, does hereby certify:

FIRST. The name of the Corporation is ALLTEL Long Distance, Inc.

SECOND. The address of the Corporation's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street in the City of Wilmington, County of New Castle, and the name of its registered agent at that address is The Corporation Trust Company.

THIRD. The nature of the business or purpose to be conducted or promoted by the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH. The total number of shares of stock which the Corporation shall have authority to issue is 1,000 shares of Common Stock, and the par value of each of such shares is \$1.00.

FIFTH. The name and mailing address of the incorporator are as follows:


<u>NAME</u>	<u>MAILING ADDRESS</u>
Stephen B. Rowell	One Allied Drive Little Rock, Arkansas 72202

SIXTH. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, lawsuit, or proceeding, whether civil, criminal, administrative, or investigative (hereinafter a "proceeding"), by reason of the fact that he, or a person of whom he is the legal representative, is or was a director, officer, employee, or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation or of a partnership, joint venture, trust, or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee, or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the Delaware General Corporation Law, as from time to time in effect.

SEVENTH. The Corporation reserves the right to amend, alter, change, or repeal any provision contained in this certificate of incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

THE UNDERSIGNED, being the incorporator, for the purpose of forming a corporation in accordance with the General Corporation Law of the State of Delaware, does make this

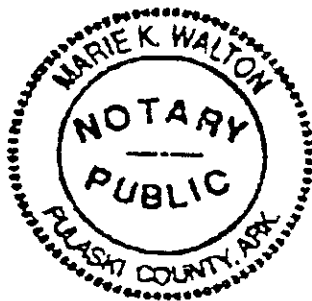
certificate of incorporation, hereby declaring and certifying that the facts herein stated are true, and accordingly has hereunto set his hand on August 16, 1995.


Stephen B. Rowell

STATE OF ARKANSAS)) SS
COUNTY OF PULASKI)

BE IT REMEMBERED that, on August 16 , 1995, personally came before me, a Notary Public for the State of Arkansas, Stephen B. Rowell, the party to the foregoing certificate of incorporation, known to me personally to be such, and acknowledge the said certificate to be his act and deed and that the facts therein stated are truly set forth.

GIVEN under my hand and seal of office the day and year aforesaid.

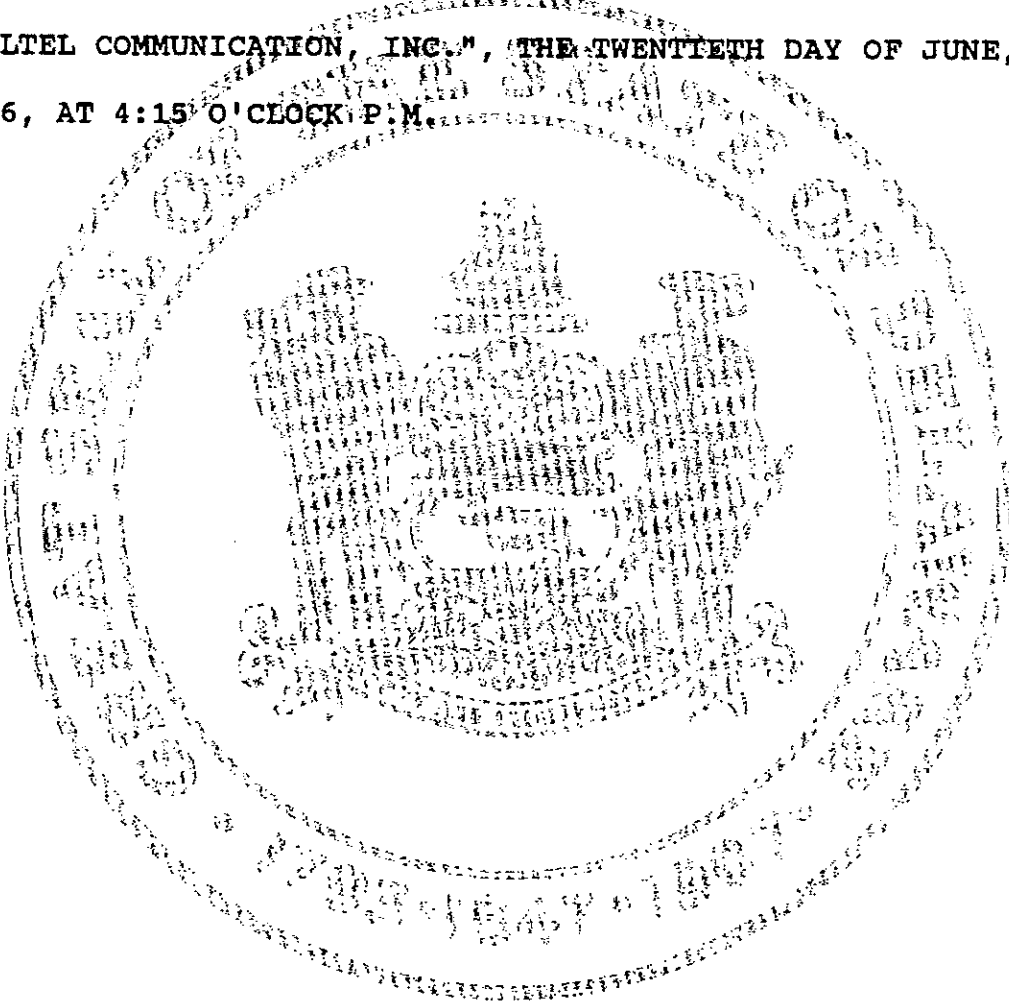


Marie Walter
NOTARY PUBLIC
11-07-2004

State of Delaware
Office of the Secretary of State

PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THAT THE SAID "ALLTEL LONG DISTANCE, INC.", FILED A CERTIFICATE OF AMENDMENT, CHANGING ITS NAME TO "ALLTEL COMMUNICATION, INC.", THE TWENTIETH DAY OF JUNE, A.D. 1996, AT 4:15 O'CLOCK P.M.



Edward J. Freel, Secretary of State

AUTHENTICATION:

DATE:

2534400 8320

960234577

8063883

08-12-96

PAGE 1

State of Delaware
Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "ALLTEL COMMUNICATION, INC.", CHANGING ITS NAME FROM "ALLTEL COMMUNICATION, INC." TO "ALLTEL COMMUNICATIONS, INC.", FILED IN THIS OFFICE ON THE TWENTY-FIFTH DAY OF NOVEMBER, A.D. 1996, AT 10:01 O'CLOCK A.M.

A CERTIFIED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS FOR RECORDING.




Edward J. Freel, Secretary of State

2534400 8100

960345026

AUTHENTICATION:

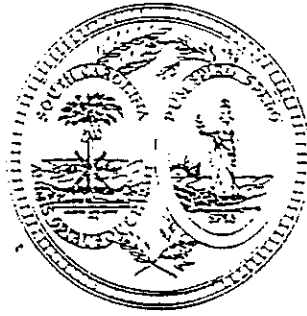
8209444

DATE:

11-25-96

***CERTIFICATE OF AUTHORITY TO TRANSACT BUSINESS
AS A FOREIGN CORPORATION
IN THE STATE OF SOUTH CAROLINA***

The State of South Carolina



Office of Secretary of State Jim Miles **Certificate of Authorization**

I, Jim Miles, Secretary of State of South Carolina Hereby certify that:

ALLTEL LONG DISTANCE, INC.,

a corporation duly organized under the laws of the state of **DELAWARE** and issued a certificate of authority to transact business in South Carolina on **January 11th, 1996**, has on the date hereof filed all reports due this office, paid all fees, taxes and penalties owed to the Secretary of State, that the Secretary of State has not mailed notice to the Corporation that its authority to transact business in South Carolina is subject to being revoked pursuant to Section 33-15-310 of the 1976 South Carolina Code, and no application for surrender of authority to do business in South Carolina has been filed in this office as of the date hereof.

Given under my Hand and the Great Seal of
the State at Columbia this 11th day of
January, 1996.

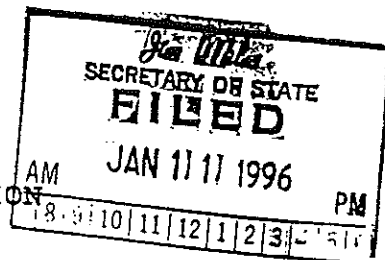
A handwritten signature in cursive script, reading "Jim Miles".

Jim Miles, Secretary of State

CERTIFIED TO BE A TRUE AND CORRECT COPY
AS TAKEN FROM AND COMPARED WITH THE
ORIGINAL ON FILE IN THIS OFFICE.

JAN 11 1996

STATE OF SOUTH CAROLINA
SECRETARY OF STATE



Carroll McHenry
APPLICATION BY A FOREIGN CORPORATION
SECRETARY OF STATE OF SOUTH CAROLINA FOR A CERTIFICATE OF AUTHORITY
TO TRANSACT BUSINESS
IN THE STATE OF SOUTH CAROLINA

Pursuant to §33-15-103 of the 1976 South Carolina Code, as amended, the undersigned corporation hereby applies for authority to transact business in the State of South Carolina, and for that purpose, hereby submits the following statement:

1. The name of the corporation is (see §§33-4-101 and 33-15-106 and see §§33-19-500(b)(1) if the corporation is a professional corporation: ALLTEL Long Distance, Inc.
2. It is incorporated as (check applicable item) ☒ a general business corporation or ☐ a professional corporation, under the laws of the state of Delaware.
3. The date of its incorporation is August 16, 1995, and the period of its duration is perpetual.
4. The address of the principal office of the corporation is One Allied Drive, Little Rock, Arkansas, 72202.
5. The address of the proposed registered office the state of South Carolina is C T Corporation System, 75 Beattie Place, Two Insignia Financial Plaza
in the City of Greenville, South Carolina 29601
6. The name of the proposed registered agent in this state at such address is C T Corporation System
7. The name and usual business address of the corporation's directors (if the corporation has no directors, then the name and address of those persons who are exercising the statutory authority of directors on behalf of the corporation) and principal officers:

a) Name of Directors

Carroll McHenry

Business Address

One Allied Drive, Little Rock,
AR 72202

b) Name and Office of
Principal Officers

Business Address

Michael T. Flynn, President

One Allied Drive, Little Rock, AR 722

Howard H. Hawes, Vice President

One Allied Drive, Little Rock, AR 722

Francis X. Frantz, Secretary

One Allied Drive, Little Rock, AR 722

8. The aggregate number of shares which the corporation has authority to issue, itemized by classes and series, if any, within a class:

Class of Shares
(and series, if any)

Authorized No. of Each
Class (and series)

Common

1000 shares

9. Unless a delayed date is specified, this application shall be effective when accepted for filing by the Secretary of State (See §33-1-230) effective on filing

10. Dated this 9th day of January 1996

ALLTEL Long Distance, Inc.

By: Francis X. Frantz

(Signature of Officer)

Francis X. Frantz, Secretary

(Type or Print Name and Office)

11. I, D. Reece Williams, III, an attorney licensed to practice in the State of South Carolina, certify that the corporation, to whose application for authority this certificate is attached, has complied with the requirements of Chapter 15, Title 33 of the 1976 South Carolina Code, as amended, relating to the qualification of foreign corporations.

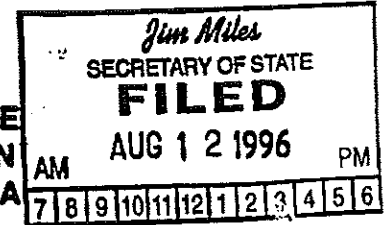
DATE: 1/11/96

D. Reece Williams
Signature
D. Reece Williams, III

Robinson, McFadden & Moore, P.C.
Post Office Box 944
Columbia, South Carolina 29202

**STATE OF SOUTH CAROLINA
SECRETARY OF STATE**

**APPLICATION FOR AN AMENDED CERTIFICATE
OF AUTHORITY BY A FOREIGN CORPORATION
TO TRANSACT BUSINESS IN SOUTH CAROLINA**



Pursuant to §33-15-104 of the 1976 South Carolina Code, as amended, the undersigned corporation hereby applies for an amended certificate of authority to transact business in the State of South Carolina and for that purpose submits the following statement:

1. The name of the corporation is ALLTEL Long Distance, Inc.
- 1a. The above named corporation received a Certificate of Authority to transact business in South Carolina on: 1/11/96
2. This application is filed for the following reason (complete all applicable items):
 - ☒ a. The corporation has changed its corporate name as follows ALLTEL Communication, Inc.
 - ☐ b. The corporation has changed its duration to _____
 - ☐ c. The corporation has changed the state or country of its incorporation to _____
3. The name of the corporation for the purposes of transacting business in South Carolina is (See §§33-4-101 and 33-15-106) and see §33-19-500(b)(1) if the corporation is a professional corporation) ALLTEL Communication, Inc.
4. It is incorporated as (check applicable item) ☒ a general business corporation, ☐ a professional corporation, the laws of the state of Delaware
5. The date of its incorporation is 8/16/95 and the period of its duration is perpetual
6. The address of the principal office of the corporation in the jurisdiction of its incorporation is One Allied Drive (Street & Number) in the city of Little Rock and the state of Arkansas 72202 Zip Code
7. The address of the registered office in the state of South Carolina is 75 Beattie Place (Street & Number) in the city of Greenville, South Carolina 29601 Zip Code
8. The name of the registered agent in this state at such address is CT Corporation System

AUG 12 1996

SECRETARY OF STATE OF SOUTH CAROLINA

9. The name and usual business address of the corporation's directors (if the corporation has no directors, then the name and address of those persons who are exercising the statutory authority of directors on behalf of the corporation) and principal Officers:

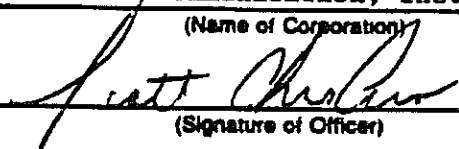
a)	Name of Directors <u>Carroll D. McHenry</u> <hr/> <hr/> <hr/>	Business Address <u>One Allied Drive</u> <u>Little Rock, AR 72202</u> <hr/> <hr/> <hr/>
b)	Name and Office of Principal Officers <u>J. Scott Chesbro, President</u> <u>Michael D. Rhoda, Vice President</u> <u>Francis X. Frantz, Secretary/</u> <u>Treasurer</u>	Business Address <u>One Allied Drive, Little Rock, AR 72202</u> <u>One Allied Drive, Little Rock, AR 72202</u> <u>One Allied Drive, Little Rock, AR 72202</u>

10. The aggregate number of shares which the corporation has authority to issue, itemized by classes and series, if any, within a class:

Class of Shares (and Series, if any) <u>Common</u> <hr/> <hr/> <hr/>	Authorized No. of Each Class (and Series) <u>1000 Shares</u> <hr/> <hr/> <hr/>
---	---

11. Unless a delayed date is specified, this application shall be effective when accepted for filing by the Secretary of State (See §33-1-230): _____

12. Dated this 8th day of August 19 96

ALLTEL Communication, Inc.
 (Name of Corporation)
 By: 
 (Signature of Officer)
J. Scott Chesbro, President
 (Type or Print Name and Office)

FILING INSTRUCTIONS

1. Two copies of this application, the original and either a duplicate original or a conformed copy, must be filed.
2. If the space in this form is insufficient, please attach additional sheets containing a reference to the appropriate paragraph in this form.
3. Schedule of Fees (payable at the time of filing this document)

Fee for filing Application (payable to the Secretary of State)	\$ 10.00
Filing Tax	100.00
4. If the applicant corporation is adopting a fictitious name for use in South Carolina pursuant to Section 33-15-106(a), then a certified copy of the board of directors resolution approving the fictitious name must be attached to the application.

NOTIFIED TO BE A TRUE AND CORRECT COPY
AS TAKEN FROM AND COMPARED WITH THE
ORIGINAL ON FILE IN THIS OFFICE

MAY 02 1997

SECRETARY OF STATE OF SOUTH CAROLINA

STATE OF SOUTH CAROLINA
SECRETARY OF STATE

J. M. Miller SECRETARY OF STATE FILED MAY 02 1997 AM PM											
7	8	9	10	11	12	1	2	3	4	5	6

APPLICATION FOR AN AMENDED CERTIFICATE
OF AUTHORITY BY A FOREIGN CORPORATION
TO TRANSACT BUSINESS IN SOUTH CAROLINA

Pursuant to §33-15-104 of the 1976 South Carolina Code, as amended, the undersigned corporation hereby applies for an amended certificate of authority to transact business in the State of South Carolina and for that purpose submits the following statement:

- The name of the corporation is ALLTEL Communication, Inc.
- The above named corporation received a Certificate of Authority to transact business in South Carolina on: 1/11/96
- This application is filed for the following reason (complete all applicable items):
 - ☒ a. The corporation has changed its corporate name as follows ALLTEL Communications, Inc.
 - ☐ b. The corporation has changed its duration to _____
 - ☐ c. The corporation has changed the state or country of its incorporation to _____
- The name of the corporation for the purposes of transacting business in South Carolina is (See §§33-4-101 and 33-15-106) and see §33-19-500(b)(1) if the corporation is a professional corporation) ALLTEL Communications, Inc.
- It is incorporated as (check applicable item) ☒ a general business corporation, ☐ a professional corporation, the laws of the state of Delaware
- The date of its incorporation is 8/16/95 and the period of its duration is perpetual
- The address of the principal office of the corporation in the jurisdiction of its incorporation is One Allied Drive (Street & Number) in the city of Little Rock and the state of Arkansas 72202 Zip Code
- The address of the registered office in the state of South Carolina is 75 Beattie Place (Street & Number) in the city of Greenville South Carolina 29601 Zip Code
- The name of the registered agent in this state at such address is CT Corporation System

9. The name and usual business address of the corporation's directors (if the corporation has no directors, then the name and address of those persons who are exercising the statutory authority of directors on behalf of the corporation) and principal Officers:

a) Name of Directors

Scott T. Ford

Business Address

One Allied Drive, Little Rock, AR 72202

b) Name and Office of Principal Officers

Dennis L. Whipple, President

Business Address

One Allied Drive, Little Rock, AR 72202

Michael T. Flynn, President-Communications Operations

J. Scott Chesbro, Exec. Vice President - Marketing/Development

Francis X. Frantz, Secretary

(All Officers at Above Address)

10. The aggregate number of shares which the corporation has authority to issue, itemized by classes and series, if any, within a class:

Class of Shares (and Series, if any)

Common

Authorized No. of Each Class (and Series)

1000 Shares

11. Unless a delayed date is specified, this application shall be effective when accepted for filing by the Secretary of State (See §33-1-230): _____

12. Dated this 30th day of April 1997

ALLTEL Communications, Inc.

(Name of Corporation)

By: Charles R. Galloway

(Signature of Officer)

Charles R. Galloway, Assistant Secretary

(Type or Print Name and Office)

FILING INSTRUCTIONS

- Two copies of this application, the original and either a duplicate original or a conformed copy, must be filed.
- If the space in this form is insufficient, please attach additional sheets containing a reference to the appropriate paragraph in this form.
- Schedule of Fees (payable at the time of filing this document)

Fee for filing Application (payable to the Secretary of State)
Filing Tax

\$ 10.00
100.00

- If the applicant corporation is adopting a fictitious name for use in South Carolina pursuant to Section 33-15-106(a), then a certified copy of the board of directors resolution approving the fictitious name must be attached to the application.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders of
ALLTEL Corporation:

We have audited in accordance with generally accepted auditing standards, the financial statements included in ALLTEL Corporation's Annual Report to stockholders incorporated by reference in this Form 10-K, and have issued our report thereon dated January 29, 1998. Our audit was made for the purpose of forming an opinion on those statements taken as a whole. The schedule on page 22 is the responsibility of the company's management and is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP

Little Rock, Arkansas,
January 29, 1998.

ALLTEL CORPORATION
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
(Dollars in Thousands)

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>		<u>Column D</u>	<u>Column E</u>
<u>Description</u>	<u>Balance at Beginning of Period</u>	<u>Charged to Cost and Expenses</u>	<u>Additions Charged to Other Accounts</u>	<u>Deductions Describe</u>	<u>Balance at End of Period</u>
Allowance for doubtful accounts, subscribers and others:					
For the years ended					
December 31, 1997	\$21,271	\$27,238	\$ -	\$29,947 (A)	\$18,562
December 31, 1996	\$18,439	\$38,771	\$ -	\$35,939 (A)	\$21,271
December 31, 1995	\$21,510	\$35,860	\$ -	\$38,931 (A)	\$18,439

Notes:

(A) Accounts charged off less recoveries of amounts previously charged off.

EXHIBIT INDEX

<u>Number and Name</u>	<u>Page</u>
(3)(a) Amended and Restated Certificate of Incorporation of ALLTEL Corporation (incorporated herein by reference to Exhibit B to Proxy Statement, dated March 9, 1990).	*
(b) By-Laws of ALLTEL Corporation (As amended as of January 29, 1998).	67
(4)(a) Rights Agreement dated as of January 30, 1997, between ALLTEL Corporation and First Union National Bank of North Carolina (incorporated herein by reference to Form 8-K dated February 3, 1997, filed with the Commission on February 4, 1997).	*
(b) The Company agrees to provide to the Commission, upon request, copies of any agreement defining rights of long-term debt holders.	—
(10)(a)(1) Executive Compensation Agreement and amendments thereto by and between the Corporation and Joe T. Ford (incorporated herein by reference to Exhibit 10(b) to Form 10-K for the fiscal year ended December 31, 1983).	*
(a)(2) Modification to Executive Compensation Agreement by and between the Corporation and Joe T. Ford effective as of January 1, 1987 (incorporated herein by reference to Exhibit 10(b)(2) to Form 10-K for the fiscal year ended December 31, 1986).	*
(a)(3) Modification to Executive Compensation Agreement by and between ALLTEL Corporation and Joe T. Ford, effective as of January 1, 1991 (incorporated herein by reference to Exhibit 10 of ALLTEL Corporation Registration Statement (No. 33-44736) on Form S-4 dated December 23, 1991).	*
(a)(4) Split-dollar Life Insurance Agreement by and between the Corporation and Joe T. Ford effective as of March 1, 1994 (incorporated herein by reference to Exhibit 10(a)(4) to Form 10-K for the fiscal year ended December 31, 1994).	*
(b) Change in Control Agreement by and between the Company and Scott T. Ford effective as of April 25, 1996 (incorporated herein by reference to Exhibit 10(c)(6) to Form 10-Q for the period ended June 30, 1996).	*
(c)(1) Change in Control Agreement by and between the Company and John L. Comparin effective as of October 24, 1994 (incorporated herein by reference to Exhibit 10(c)(2) to Form 10-K for the fiscal year ended December 31, 1994).	*
(c)(2) Change in Control Agreement by and between the Company and Dennis J. Ferra effective as of October 24, 1994 (incorporated herein by reference to Exhibit 10(c)(3) to Form 10-K for the fiscal year ended December 31, 1994).	*

* Incorporated herein by reference as indicated.

EXHIBIT INDEX, Continued

<u>Number and Name</u>	<u>Page</u>
(10)(c)(3) Change in Control Agreement by and between the Company and Francis X. Frantz effective as of October 24, 1994 (incorporated herein by reference to Exhibit 10(c)(4) to Form 10-K for the fiscal year ended December 31, 1994).	*
(c)(4) Change in Control Agreement by and between the Company and Tom T. Orsini effective as of October 24, 1994 (incorporated herein by reference to Exhibit 10(c)(5) to Form 10-K for the fiscal year ended December 31, 1994).	*
(c)(5) Change in Control Agreement by and between the Company and Ronald D. Payne effective as of October 24, 1994 (incorporated herein by reference to Exhibit 10(c)(6) to Form 10-K for the fiscal year ended December 31, 1994).	*
(d)(1) Split-dollar Life Insurance Agreement by and between the Corporation and Dennis J. Ferra effective as of March 1, 1994 (incorporated herein by reference to Exhibit 10(d)(1) to Form 10-K for the fiscal year ended December 31, 1994).	*
(d)(2) Split-dollar Life Insurance Agreement by and between the Corporation and Francis X. Frantz effective as of March 1, 1994 (incorporated herein by reference to Exhibit 10(d)(2) to Form 10-K for the fiscal year ended December 31, 1994).	*
(d)(3) Split-dollar Life Insurance Agreement by and between the Corporation and Tom T. Orsini effective as of March 1, 1994 (incorporated herein by reference to Exhibit 10(d)(3) to Form 10-K for the fiscal year ended December 31, 1994).	*
(e)(1) ALLTEL Corporation Supplemental Executive Retirement Plan, effective October 24, 1994 (incorporated herein by reference to Exhibit 10(e)(1) to Form 10-K for the fiscal year ended December 31, 1994).	*
(f)(1) Executive Deferred Compensation Plan of ALLTEL Corporation, as amended and restated effective October 1, 1993 (incorporated herein by reference to Exhibit 10(e) to Form 10-K for the fiscal year ended December 31, 1993).	*
(f)(2) Amendment No. 1 to Executive Deferred Compensation Plan of ALLTEL Corporation (October 1, 1993 Restatement), amendment effective January 29, 1998.	75
(f)(3) Deferred Compensation Plan for Directors of ALLTEL Corporation, as amended and restated effective October 1, 1993 (incorporated herein by reference to Exhibit 10(f) to Form 10-K for the fiscal year ended December 31, 1993).	*
(f)(4) Amendment to Deferred Compensation Plan for Directors of ALLTEL Corporation (October 1, 1993 Restatement) (incorporated herein by reference to Exhibit 10(f)(3) to Form 10-K for the fiscal year ended December 31, 1996).	*
(g)(1) ALLTEL Corporation 1975 Incentive Stock Option Plan (as amended and restated effective July 26, 1988) (incorporated herein by reference to Exhibit 10(i) to Form 10-K for the fiscal year ended December 31, 1988).	*

* Incorporated herein by reference as indicated.

EXHIBIT INDEX, Continued

<u>Number and Name</u>	<u>Page</u>
(10)(g)(2) ALLTEL Corporation 1991 Stock Option Plan (incorporated herein by reference to Exhibit A to Proxy Statement, dated March 8, 1991).	*
(g)(3) ALLTEL Corporation 1994 Stock Option Plan for Employees (incorporated herein by reference to Exhibit A to Proxy Statement dated March 4, 1994).	*
(g)(4) ALLTEL Corporation 1994 Stock Option Plan for Nonemployee Directors (incorporated herein by reference to Exhibit B to Proxy Statement dated March 4, 1994).	*
(g)(5) First Amendment to ALLTEL Corporation 1994 Stock Option Plan for Nonemployee Directors (incorporated herein by reference to Exhibit 10(g)(5) to Form 10-K for the fiscal year ended December 31, 1996).	*
(h) Systematics, Inc. 1981 Incentive Stock Option Plan and Amendment No. 1 thereto (incorporated herein by reference to Form S-8 (No. 33-35343) of ALLTEL Corporation filed with the Commission on June 11, 1990).	*
(i) ALLTEL Corporation Performance Incentive Compensation Plan as amended, effective January 1, 1993 (Exhibit 10(i) to Form SE dated February 17, 1993).	*
(i)(1) Amendment No. 1 to ALLTEL Corporation Performance Incentive Compensation Plan (January 1, 1993 Restatement), amendment effective January 29, 1998.	76
(j) ALLTEL Corporation Long-Term Performance Incentive Compensation Plan, as amended and restated effective January 1, 1993 (Exhibit 10(j) to Form SE dated February 17, 1993).	*
(j)(1) Amendment No. 1 to ALLTEL Corporation Long-Term Performance Incentive Compensation Plan as amended and restated effective January 1, 1993, (incorporated herein by reference to Exhibit 10(j)(1) to Amendment No. 1 to Form 10-K for the fiscal year ended December 31, 1993).	*
(j)(2) Amendment No. 2 to ALLTEL Corporation Long-Term Performance Incentive Compensation Plan (January 1, 1993 Restatement), amendment effective January 29, 1998.	77
(k) ALLTEL Corporation Pension Plan (January 1, 1994 Restatement) (incorporated herein by reference to Exhibit 10(k) to Form 10-K for the fiscal year ended December 31, 1994).	*
(k)(1) Amendment No. 1 to ALLTEL Corporation Pension Plan (January 1, 1994 Restatement) (incorporated herein by reference to Exhibit 10(k)(1) to Form 10-Q for the period ended March 31, 1995).	*
(k)(2) Amendments No. 2 and 3 to ALLTEL Corporation Pension Plan (January 1, 1994 Restatement) (incorporated herein by reference to Exhibit 10(k)(2) to Form 10-Q for the period ended June 30, 1995).	*

* Incorporated herein by reference as indicated.

EXHIBIT INDEX, Continued

<u>Number and Name</u>	<u>Page</u>
(10)(k)(3) Amendments No. 4 and 5 to ALLTEL Corporation Pension Plan (January 1, 1994 Restatement) (incorporated herein by reference to Exhibit 10(k)(3) to Form 10-K for the fiscal year ended December 31, 1995).	*
(k)(4) Amendments No. 6 and 7 to ALLTEL Corporation Pension Plan (January 1, 1994 Restatement) (incorporated herein by reference to Exhibit 10(k)(4) to Form 10-Q for the period ended September 30, 1996).	*
(k)(5) Amendments No. 8 and 9 to ALLTEL Corporation Pension Plan (January 1, 1994 Restatement) (incorporated herein by reference to Exhibit 10(k)(5) to Form 10-Q for the period ended March 31, 1997).	*
(k)(6) Amendment No. 10 to ALLTEL Corporation Pension Plan (January 1, 1994 Restatement).	78
(l) ALLTEL Corporation Profit-Sharing Plan (January 1, 1994 Restatement) (incorporated herein by reference to Exhibit 10(l) to Form 10-K for the fiscal year ended December 31, 1994).	*
(l)(1) Amendments No. 1 and 2 to ALLTEL Corporation Profit-Sharing Plan (January 1, 1994 Restatement) (incorporated herein by reference to Exhibit 10(l)(1) to Form 10-Q for the period ended June 30, 1995).	*
(l)(2) Amendments No. 3 and 4 to ALLTEL Corporation Profit-Sharing Plan (January 1, 1994 Restatement) (incorporated herein by reference to Exhibit 10(l)(2) to Form 10-K for the fiscal year ended December 31, 1995).	*
(l)(3) Amendment No. 5 to ALLTEL Corporation Profit-Sharing Plan (January 1, 1994 Restatement) (incorporated herein by reference to Exhibit 10(l)(3) to Form 10-Q for the period ended September 30, 1996).	*
(l)(4) Amendment No. 6 to ALLTEL Corporation Profit-Sharing Plan (January 1, 1994 Restatement) (incorporated herein by reference to Exhibit 10(l)(4) to Form 10-Q for the period ended March 31, 1997).	*
(l)(5) Amendment No. 7 to ALLTEL Corporation Profit-Sharing Plan (January 1, 1994 Restatement).	84
(m) ALLTEL Corporation Benefit Restoration Plan (January 1, 1996 Restatement). (incorporated herein by reference to Exhibit 10(m) to Form 10-K for the fiscal year ended December 31, 1995).	*
(n) Amended and Restated ALLTEL Corporation Supplemental Medical Expense Reimbursement Plan (incorporated herein by reference to Exhibit 10(p) to Form 10-K for the fiscal year ended December 31, 1990).	*

* Incorporated herein by reference as indicated.

EXHIBIT INDEX, Continued

<u>Number and Name</u>	<u>Page</u>
(10)(o) ALLTEL Corporation Thrift Plan (January 1, 1994 Restatement) (incorporated herein by reference to Exhibit 10(p) to Form 10-K for the fiscal year ended December 31, 1994).	*
(o)(1) Amendments No. 1 and 2 to ALLTEL Corporation Thrift Plan (January 1, 1994 Restatement) (incorporated herein by reference to Exhibit 10(p)(1) to Form 10-Q for the period ended June 30, 1995).	*
(o)(2) Amendment No. 3 ALLTEL Corporation Thrift Plan (January 1, 1994 Restatement) (incorporated herein by reference to Exhibit 10(o)(2) to Form 10-K for the fiscal year ended December 31, 1995).	*
(o)(3) Amended and Restated Amendment No. 4 and Amendment No. 5 to ALLTEL Corporation Thrift Plan (January 1, 1994 Restatement) (incorporated herein by reference to Exhibit 10(o)(3) to Form 10-K for the fiscal year ended December 31, 1996).	*
(o)(4) Amendment No. 6 to ALLTEL Corporation Thrift Plan (January 1, 1994 Restatement) (incorporated herein by reference to Exhibit 10(o)(4) to Form 10-Q for the period ended March 31, 1997).	*
(o)(5) Amendment No. 7 to ALLTEL Corporation Thrift Plan (January 1, 1994 Restatement)	88
(11) Statement re computation of per share earnings.	28
(13) Annual report to stockholders for the year ended December 31, 1997. Such report, except for the portions incorporated by reference herein, is furnished for the information of the Securities and Exchange Commission and is not "filed" as part of this report.	32
(21) Subsidiaries of the registrant.	29
(23) Consents of experts and counsel.	31
(27) Financial Data Schedule for the year ended December 31, 1997.	91
(99)(a) Annual report on Form 11-K for the ALLTEL Corporation Thrift Plan for the year ended December 31, 1997, will be filed by amendment.	—

* Incorporated herein by reference as indicated.

EXHIBIT 11
ALLTEL CORPORATION
STATEMENT RE COMPUTATION OF PER SHARE EARNINGS
(Dollars and Shares in Thousands, except per share amounts)

<u>For the Years Ended December 31.</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>
Net income applicable to common shares	\$506,878	\$290,666	\$353,458	\$270,521	\$260,439
Adjustments for convertible securities: preferred stocks	<u>206</u>	<u>220</u>	<u>236</u>	<u>258</u>	<u>293</u>
Net income applicable to common shares, assuming conversion of above securities	<u>\$507,084</u>	<u>\$290,886</u>	<u>\$353,694</u>	<u>\$270,779</u>	<u>\$260,732</u>
Average common shares outstanding for the year	186,059	189,378	188,870	187,758	185,634
Increase in shares which would result from:					
exercise of stock options	1,107	1,089	1,202	1,696	2,031
conversion of convertible preferred stocks	<u>523</u>	<u>559</u>	<u>603</u>	<u>670</u>	<u>755</u>
Average common shares, assuming conversion of the above securities	<u>187,689</u>	<u>191,026</u>	<u>190,675</u>	<u>190,124</u>	<u>188,420</u>
Earnings per share of common stock:					
Basic	<u>\$2.72</u>	<u>\$1.53</u>	<u>\$1.87</u>	<u>\$1.44</u>	<u>\$1.40</u>
Diluted	<u>\$2.70</u>	<u>\$1.52</u>	<u>\$1.85</u>	<u>\$1.42</u>	<u>\$1.38</u>

Note: In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 128, "Earnings per Share" ("SFAS 128"), which established new standards for computing earnings per share information. As required, the Company adopted the provisions of SFAS 128 in its year-end financial statements and has restated all prior-year earnings per share information.

EXHIBIT 21

ALLTEL Corporation Subsidiaries of the Registrant

COMMUNICATIONS COMPANIES:

	State of <u>Incorporation</u>
ALLTEL Alabama, Inc.	Alabama
ALLTEL Arkansas, Inc.	Arkansas
ALLTEL Carolina, Inc.	North Carolina
ALLTEL Florida, Inc.	Florida
ALLTEL Georgia, Inc.	Georgia
ALLTEL Georgia Communications Corp.	Georgia
ALLTEL Kentucky, Inc.	Kentucky
ALLTEL Mississippi, Inc.	Mississippi
ALLTEL Missouri, Inc.	Missouri
ALLTEL New York, Inc.	New York
ALLTEL Ohio, Inc.	Ohio
ALLTEL Oklahoma, Inc.	Arkansas
ALLTEL Pennsylvania, Inc.	Pennsylvania
ALLTEL South Carolina, Inc.	South Carolina
Georgia ALLTEL Communicon Co.	Illinois
Georgia ALLTELCOM Co.	Indiana
Georgia ALLTEL Telecom Inc.	Michigan
Georgia Telephone Corporation	Georgia
Missouri Telephone Cellular Systems, Inc.	Missouri
Oklahoma ALLTEL, Inc.	Oklahoma
Sugar Land Telephone Company	Texas
Texas ALLTEL, Inc.	Texas
The Western Reserve Telephone Company	Ohio
ALLTEL Communications, Inc.	Delaware
ALLTEL Communications Group, Inc.	Delaware
ALLTEL Communications Services Corporation	Ohio
ALLTEL Mobile Communications, Inc.	Delaware
ALLTEL Mobile Communications of the Carolinas, Inc.	North Carolina

EXHIBIT 21

ALLTEL Corporation

Subsidiaries of the Registrant, continued

	Country or State of <u>Incorporation</u>
OTHER COMPANIES:	
ALLTEL Business Services, Inc.	Delaware
ALLTEL Corporate Services, Inc.	Delaware
ALLTEL Distribution, Inc.	Delaware
ALLTEL Holding, Inc.	Delaware
ALLTEL International Holdings, Inc.	Delaware
ALLTEL Mauritius Holdings, Inc.	Delaware
ALLTEL Publishing Corporation	Ohio
ALLTEL Publishing Listing Management Corporation	Pennsylvania
ALLTEL Supply, Inc.	Ohio
ALLTEL Supply International, Inc.	Ohio
CP National Corporation	California
Control Communications Industries, Inc.	Delaware
Dynalex, Inc.	California
FC Paramount, Inc.	Arkansas
Ocean Technology, Inc.	California
OTI International, Inc.	California
Sygnis, Inc.	Arkansas
ALLTEL Information Services, Inc.	Arkansas
ALLTEL Information Services International, Ltd.	Delaware
ALLTEL Information Services International Holdings, Inc.	Delaware
ALLTEL Information Services, Limited	United Kingdom
ALLTEL Information Services Canada Limited	Canada
ALLTEL Information Services (France) SARL	France
ALLTEL Information Services (Germany) GmbH	Germany
ALLTEL Information Services (Greece) S.A.	Greece
ALLTEL Information Services (Hong Kong) Limited	Hong Kong
ALLTEL Information (Mauritius) Inc.	Mauritius
ALLTEL Information Services (Netherlands) B.V.	Amsterdam
ALLTEL Information Services (Thailand) Limited	Thailand
ALLTEL International, Limited	Jamaica
ALLTEL International Resource Management, Inc.	Delaware
ALLTEL Servicios de Informacion (Costa Rica) S.A.	Costa Rica
ALLTEL Wholesale Banking Solutions, Inc.	New York
Computer Power, Inc.	Florida
Vertex Banking Systems, Limited	United Kingdom

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders of
ALLTEL Corporation:

As independent public accountants, we hereby consent to the incorporation of our report incorporated by reference in this Form 10-K, into the Company's previously filed Registration Statements, File Nos. 2-99523, 33-35343, 33-48476, 33-54175, 33-56291 and 33-65199.

ARTHUR ANDERSEN LLP

Little Rock, Arkansas,
February 11, 1998.

EXHIBIT C

Resumes of Key Personnel

DESCRIPTION OF QUALIFICATIONS OF OFFICERS

Michael T. Flynn is President of Communications Operations. Prior to joining ALLTEL in 1994, Mr. Flynn served as President of Arkansas for Southwestern Bell Telephone Company which he had held since 1991. Mr. Flynn began his Southwestern Bell career in 1970 and held a variety of positions in the company's network and telecommunications research operations. In 1983, the year divestiture occurred, Mr. Flynn was with AT&T in New Jersey and later served with Bell Communications Research there. In 1987, he was appointed Managing Director-Technology Planning for SBC Technology Resources. Mr. Flynn later moved to Dallas, where he served as Vice President-Network for Southwestern Bell's Texas Division. Mr. Flynn holds a Bachelor's Degree in Industrial Engineering from Texas A&M University. He has attended the Dartmouth Institute and the Harvard Advanced Management Program.

James F. Gadberry is Executive Vice President of Finance and Administration. Mr. Gadberry began his thirty seven year career in telecommunications in 1960 with AT&T. While with AT&T, Mr. Gadberry held various management positions in sales and operations in Dallas, St. Louis and Kansas City. Mr. Gadberry joined ALLTEL in 1966 as General Commercial Manager. Mr. Gadberry has held various other positions with the company, including President of the Southwest Region and President of ALLTEL Telephone Services Corporation. Mr. Gadberry holds a Bachelor's Degree in Engineering from the University of Arkansas where he graduated with honors.

Francis X. Frantz is Secretary. Mr. Frantz practiced law for 11 years at the firm of Thompson, Hine and Flory in Cleveland, Ohio, and was partner during his last 3 years there. Mr. Frantz joined ALLTEL in 1990 as senior vice president and general counsel and was appointed secretary in 1992 and senior vice president-external affairs in April 1993. Mr. Frantz holds a Bachelor's Degree from the University of Akron and obtained a Juris Doctor from Ohio State University.

EXHIBIT D

Illustrative Local Tariff

EXHIBIT B

**Financial Statements of the Applicant
and
Parent's most recent Form 10-K**

ALLTEL COMMUNICATIONS, INC.
UNAUDITED
FINANCIAL STATEMENTS

ALLTEL Communications, Inc.
Consolidated Balance Sheet (000's)
December 31, 1997
(Unaudited)

ASSETS

Current assets:

Cash	\$ 3,343
Accounts receivable, net allowance	49,011
Materials and supplies	11,471
Prepays and other current assets	3,309
Total current assets	<u>67,134</u>

Plant and equipment:

In service	512,857
Under construction	67,854
	<u>580,711</u>
Less accumulated depreciation	188,262
Plant and equipment, net	<u>392,449</u>

Investments in partnerships

41,784

Other assets

266,319

Total assets

\$ 767,686

LIABILITIES AND STOCKHOLDER'S EQUITY

Current liabilities:

Accounts payable	\$ 58,269
Affiliates payable	291,806
Current maturities of long term debt	-
Accrued interest	-
Other current liabilities	17,323
Total current liabilities	<u>367,398</u>

Long term debt

-

Minority interest

56,825

Deferred income taxes

2,695

Total liabilities

426,918

Stockholder's equity:

Common stock

-

Paid in capital

166,938

Retained earnings

173,830

Total stockholder's equity

340,768

Total liabilities and stockholder's equity	\$	<u>767,686</u>
--	----	----------------

ALLTEL Communications, Inc.
Consolidated Statement of Income (000's)
For the year ended December 31, 1997
(Unaudited)

Revenues:

Service revenues	\$	415,330
Equipment and installation revenues		<u>713</u>
Total Revenues		<u>416,043</u>

Expenses:

Operating		245,941
Depreciation		<u>56,245</u>
Total expenses		<u>302,186</u>
Operating income (loss)		113,857

Other income (expense):

Amortization		(5,529)
Minority interest		(19,975)
Income (loss) ltd. partnerships		11,792
Interest during construction		5,796
Other		<u>(439)</u>
Total other income (expense)		<u>(8,355)</u>

Interest expense		<u>20,357</u>
------------------	--	---------------

Income (loss) before income taxes		85,145
-----------------------------------	--	--------

Federal and state income taxes		<u>38,189</u>
--------------------------------	--	---------------

Net income (loss)	\$	<u><u>46,956</u></u>
-------------------	----	----------------------

ALLTEL CORPORATION
FORM 10-K

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-K

(X) ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 1997

or
() TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number 1-4996

ALLTEL CORPORATION

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

One Allied Drive, Little Rock, Arkansas
(Address of principal executive offices)

72202
(Zip Code)

Registrant's telephone number, including area code (501) 905-8000

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
Common Stock	New York and Pacific
\$2.06 No Par Cumulative Convertible Preferred Stock	New York and Pacific

Securities registered pursuant to Section 12(g) of the Act:

NONE

(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES ☒ NO ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. (X)

Aggregate market value of voting stock held by non-affiliates as of
January 31, 1998 - \$7,863,187,862

Common shares outstanding, January 31, 1998 - 183,934,219

DOCUMENTS INCORPORATED BY REFERENCE

<u>Document</u>	<u>Incorporated Into</u>
Portions of the annual report to stockholders for the year ended December 31, 1997	Parts I, II and IV
Proxy statement for the 1998 Annual Meeting of stockholders	Part III
The Exhibit Index is located on pages 23 to 27.	

ALLTEL Corporation
Securities and Exchange Commission
Form 10-K, Part I

Item 1. Business

THE COMPANY

GENERAL

ALLTEL Corporation ("ALLTEL" or the "Company") is a customer-focused information technology company that provides wireline and wireless communications and information services. The Company owns subsidiaries that provide wireline local, long-distance, network access and internet services, wireless communications, wide-area paging service and information processing management services and advanced applications software. Telecommunications products are warehoused and sold by the Company's distribution subsidiary. A subsidiary also publishes telephone directories for affiliates and other independent telephone companies.

FORWARD LOOKING STATEMENTS

This Form 10-K and future filings by the Company on Form 10-Q and Form 8-K and future oral and written statements by the Company and its management may include, certain forward-looking statements, including (without limitation) statements with respect to anticipated future operating and financial performance, growth opportunities and growth rates, acquisition and divestitive opportunities, Year 2000 compliance and other similar forecasts and statements of expectation. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," and "should," and variations of these words and similar expressions, are intended to identify these forward-looking statements. Forward-looking statements by the Company and its management are based on estimates, projections, beliefs and assumptions of management and are not guarantees of future performance. The Company disclaims any obligation to update or revise any forward-looking statement based on the occurrence of future events, the receipt of new information, or otherwise.

Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements made by the Company and its management as a result of a number of important factors. Representative examples of these factors include (without limitation) rapid technological developments and changes in the telecommunications and information services industries; ongoing deregulation (and the resulting likelihood of significantly increased price and product/service competition) in the telecommunications industry as a result of the Telecommunications Act of 1996 and other similar federal and state legislation and the federal and state rules and regulations enacted pursuant to that legislation; regulatory limitations on the Company's ability to change its pricing for communications services; the possible future unavailability of SFAS 71 to the Company's wireline subsidiaries; continuing consolidation in certain industries, such as banking, served by the Company's information services business; and the risks associated with relatively large, multi-year contracts in the Company's information services business. In addition to these factors, actual future performance, outcomes and results may differ materially because of other, more general, factors including (without limitation) general industry and market conditions and growth rates, domestic and international economic conditions, governmental and public policy changes and the continued availability of financing in the amounts, at the terms and on the conditions necessary to support the Company's future business.

ALLTEL Corporation
Securities and Exchange Commission
Form 10-K, Part I

Item 1. Business

THE COMPANY (continued)

ACQUISITIONS

In October 1997, the Company acquired Georgia Telephone Corporation, which served more than 6,700 customer lines in southwest Georgia. The customer lines acquired are in areas adjacent to the Company's wireline exchanges in Georgia and are located within the Company's current wireless service area.

During 1997, ALLTEL Mobile Communications, Inc. ("ALLTEL Mobile") increased its ownership to 100 percent in two Alabama Rural Service Areas ("RSAs"), representing approximately 260,000 cellular "pops" or potential customers. In addition, ALLTEL Mobile increased its ownership interest to 100 percent in the Savannah, Georgia MSA, representing approximately 280,000 cellular "pops".

In 1996, ALLTEL Mobile increased its ownership interest in one North Carolina RSA and purchased an interest in one Florida RSA.

During 1995, ALLTEL Mobile entered into a joint venture with BellSouth Mobility, Inc. involving cellular properties in five states. As a result of this joint venture, ALLTEL Mobile owns a 53.5 percent interest in the Columbia and Florence, South Carolina market, an 11.1 percent interest in the Greensboro, North Carolina Metropolitan Statistical Area ("MSA"), an 11.1 percent interest in a North Carolina RSA, and no longer owns a majority interest in the Jackson, Mississippi market. In addition during 1995, ALLTEL Mobile completed an exchange of certain assets in a West Virginia RSA and an Oklahoma RSA for certain assets in a Georgia RSA and a North Carolina RSA owned by United States Cellular Corp. ("U.S. Cellular"). The acquired properties are contiguous to ALLTEL Mobile's Albany, Georgia and Charlotte, North Carolina markets. In January 1995, ALLTEL Mobile purchased U.S. Cellular's 20 percent interest in the Fort Smith, Arkansas MSA, thereby increasing ALLTEL Mobile's ownership interest in the Fort Smith MSA to 100 percent.

In May 1995, ALLTEL Information Services, Inc. ("ALLTEL Information Services") acquired Vertex Business Systems, Inc. ("Vertex"), a provider of international banking software products and services. Vertex, headquartered in New York, has clients located in Europe, Asia and the United States.

In November 1994, the Company completed its acquisition of Medical Data Technology, Inc. ("MDT"). MDT provided information processing services to 14 hospitals in the northeastern United States. In October 1993, the Company completed its acquisition of TDS Healthcare Systems Corporation ("TDS"). TDS provided comprehensive patient care and healthcare enterprise information systems to more than 200 hospitals in the United States, Canada and Europe. As further discussed below, the Company sold its healthcare information services business in January 1997.

Effective November 1, 1993, the Company and GTE Corporation ("GTE") completed an exchange of telephone service areas in several states. ALLTEL exchanged approximately 95,000 access lines in Illinois, Indiana and Michigan and \$443 million in cash for substantially all of the assets of the telephone operations of GTE in the State of Georgia, which served approximately 320,000 access lines.

ALLTEL Corporation
Securities and Exchange Commission
Form 10-K, Part I

Item 1. Business

THE COMPANY (continued)

ACQUISITIONS (continued)

In October 1993, ALLTEL Publishing Corporation ("ALLTEL Publishing") completed its purchase of GTE Directories Service Corporation's ("GTE Directories") independent publishing business, which included contracts with more than 125 independent telephone companies across the country.

During 1993, ALLTEL Mobile acquired a 100 percent interest in one Georgia RSA which had a population of approximately 145,000. In addition, ALLTEL Mobile acquired interests in two other Georgia RSAs and increased its ownership in one Texas RSA and one Mississippi RSA. In January 1993, ALLTEL Mobile acquired an additional 20 percent interest in the Ft. Smith, Arkansas MSA. This transaction increased ALLTEL Mobile's interest in the Ft. Smith MSA to 80 percent.

DISPOSITIONS

In May 1997, the Company sold its wire and cable subsidiary, HWC Distribution Corp. ("HWC") to Code, Hennessy & Simmons, Inc., an investment firm, for approximately \$45 million in cash. HWC was one of two companies that comprised ALLTEL's product distribution operations.

In January 1997, the Company sold the healthcare portion of its information services business to Integrated Healthcare Solutions, Inc. for approximately \$154 million consisting of cash and a continuing preferred stock interest. The preferred stock is convertible into common stock representing a 15 percent interest in a new privately held company, Ecilpsys Corporation.

In November 1994, the Company signed definitive agreements to sell certain wireline properties serving approximately 117,000 access lines in Arizona, California, Nevada, New Mexico, Oregon, Tennessee, Utah and West Virginia to Citizens Utilities Company ("Citizens") in exchange for approximately \$250 million in cash, assumed debt and a wireline property serving 3,600 access lines in Pennsylvania. The sale of all properties except for those in Nevada was completed during 1995, and the sale of the Nevada properties was completed in March 1996.

In 1995, as part of its agreement to sell certain telephone properties, the Company also completed the sale of certain of its cable television properties to Citizens. These cable television properties served approximately 6,800 customers in Arizona, California, New Mexico and Utah. The Company also completed in 1995 the sale of its cable television properties in Texas which served approximately 7,200 customers. Upon completion of these property sales, the Company provides cable television service to approximately 3,600 customers, primarily to residents of Bolivar and Stockton, Missouri. These remaining cable television properties are not significant to the ongoing operations of the Company.

In 1995, ALLTEL Information Services sold all of the assets related to its check processing operations, including substantially all of the customer contracts.

ALLTEL Corporation
Securities and Exchange Commission
Form 10-K, Part I

Item 1. Business

THE COMPANY (continued)

MANAGEMENT

The Company's staff at its headquarters and regional offices supervise, coordinate and assist subsidiaries in management activities, investor relations, acquisitions, corporate planning, insurance, and technical research. They also coordinate the financing program for the entire corporation.

EMPLOYEES

At December 31, 1997, the Company had 16,393 employees. Some of the employees of the Company's wireline subsidiaries are part of collective bargaining units. The Company maintains good relations with all employee groups.

INDUSTRY SEGMENTS

Financial information about industry segments is included in the Company's 1997 Annual Report to Stockholders, which is incorporated herein by reference.

COMMUNICATIONS SERVICES

During the past three years, the Company has undertaken several strategic initiatives designed to strengthen its communications business and to focus its operations geographically in markets located in the southeastern portion of the United States and the Great Lakes. Included in these initiatives were the disposal of smaller wireline operations completed in 1995 and 1996, expansion of the Company's service offerings to include long-distance and internet services begun in 1996, the acquisition of Personal Communications Services ("PCS") licensing rights in 1997, and the convergence of the Company's wireline and wireless businesses also completed in 1997. With convergence, the Company combined its wireline and wireless businesses into a single operation capable of delivering to customers one-stop shopping for a full range of communications products and services including local wireline, long-distance, wireless, paging and internet services. Additionally, the Company has added wireline products to its wireless retail stores and has combined its wireline and wireless call centers to better serve customers.

ALLTEL participated in the Federal Communications Commission's ("FCC") "D" and "E" band PCS auctions, and in January 1997, the Company was awarded the PCS licensing rights for 73 markets in 12 states. The PCS licenses acquired are in markets which overlap the Company's existing wireline and wireless service areas. In fact, the PCS licenses acquired increase the overlap of the Company's system-wide wireline and wireless service areas within its southern markets to 97 percent. In addition, the PCS licenses acquired increase the size of the Company's potential wireless customer base to 34 million. The Company expects to begin offering PCS in select markets during 1998.

In 1997, ALLTEL also constructed network facilities to provide communications services in select areas within its geographically focused markets that are located outside its traditional franchised service areas. To date, these local competitive access service offerings have been marketed to business customers. In 1998, the Company will expand its offering of these services to include residential customers.

ALLTEL Corporation
Securities and Exchange Commission
Form 10-K, Part I

Item 1. Business

WIRELINE OPERATIONS

LOCAL SERVICE

General

The Company's wireline subsidiaries provide local service to more than 1,789,000 customer lines through 576 exchanges in 14 states. The wireline subsidiaries also offer facilities for private line, data transmission and other communications services.

Regulation

Historically, the Company's wireline subsidiaries have provided local telephone service under franchises granted by state regulatory commissions and have been subject to regulation by those regulatory commissions. These regulatory commissions have had primary jurisdiction over various matters including local and intrastate toll rates, quality of service, the issuance of securities, depreciation rates, the disposition of public utility property, the issuance of debt, and the accounting systems used by those subsidiaries. The FCC has historically had primary jurisdiction over the interstate toll and access rates of these companies and issues related to interstate telephone service.

The Telecommunications Act of 1996 (the "96 Act"), which became effective on February 8, 1996, has substantially modified certain aspects of the states' and the FCC's jurisdictions in the regulation of local exchange telephone companies. The 96 Act prohibits state legislative or regulatory restrictions or barriers to entry regarding the provision of local telephone service. The 96 Act also requires incumbent local exchange carriers to interconnect with the networks of other telecommunications carriers, unbundle services into network elements, offer their telecommunications services at wholesale rates to allow resale of those services, and allow other telecommunications carriers to locate their equipment on the premises of the incumbent local exchange carriers. The 96 Act requires all local exchange telephone companies to compensate one another for the transport and termination of calls on one another's networks.

The Company's wireline subsidiaries are rural telephone companies and are exempt from certain of the foregoing obligations unless, in response to a bona fide request, a state regulatory commission removes that exemption. The 96 Act requires the FCC to develop rules necessary to implement certain aspects of the 96 Act, and to revise the current Universal Service Fund in response to the recommendations of a federal-state joint board.

In August 1996, the FCC issued regulations implementing the local competition provisions of the 96 Act. These regulations established pricing rules for state regulatory commissions to follow with respect to entry by competing carriers into the local, intrastate markets of incumbent local exchange carriers ("ILECs"), and addressed interconnection, unbundled network elements and resale rates. The FCC's authority to adopt such pricing rules, including permitting new entrants to "pick and choose" among the terms and conditions of approved interconnection agreements, was challenged in federal court by various ILECs and state regulatory commissions. On July 18, 1997, the U.S. Eighth Circuit Court of Appeals (the "Eighth Circuit Court") issued its decision and vacated the FCC's pricing rules including the "pick and choose" provisions, finding, among other matters, that the FCC had exceeded its jurisdiction in establishing pricing rules for intrastate communication services. In responding to petitions for rehearing of its earlier decision, the Eighth Circuit Court ruled on October 14, 1997, that ILECs are not required by the 96 Act to recombine network elements

ALLTEL Corporation
Securities and Exchange Commission
Form 10-K, Part I

Item 1. Business

WIRELINE OPERATIONS (continued)

LOCAL SERVICE (continued)

Regulation (continued)

that are purchased by requesting carriers on an unbundled basis. The FCC asked the U.S. Supreme Court to review two interconnection decisions of the Eighth Circuit Court. On January 26, 1998, the U.S. Supreme Court announced that it will review these two decisions later in 1998.

On May 7, 1997, the FCC issued regulations relating to access charge reform and universal service. The access charge reform regulations are discussed on page 7 within the section entitled "Network Access Services-Regulation". Based upon ALLTEL's review of the FCC's regulations concerning the universal service subsidy, it is unlikely that material changes in the universal service funding for the Company's wireline subsidiaries will occur prior to 2001. In 2001, the universal service subsidy is scheduled to change from being based on actual costs to being based on a proxy model. Since the FCC has not yet defined the structure or content of any proxy model, the impact of this change, if any, in the universal service funding for the Company's wireline subsidiaries cannot be determined at this time. The Company's wireline subsidiaries received approximately \$48 million from the current federal universal service fund in 1997. The impact of the FCC's universal service order on ALLTEL's other telecommunications operations is still being evaluated. Petitions for reconsideration of various aspects of both the universal service and access charge reform orders are pending at the FCC. In addition, petitions to review these orders have also been filed with various federal courts of appeal.

Because resolution of the regulatory matters discussed above that are currently under FCC and/or judicial review is uncertain and regulations to implement other provisions of the 96 Act have yet to be issued, the Company cannot predict at this time the specific effects that the 96 Act will have on its wireline subsidiaries.

Periodically, the Company's wireline subsidiaries receive requests from wireless communications providers for renegotiation of existing transport and termination agreements. The Company's wireline subsidiaries, as requested, renegotiate the appropriate terms and conditions in compliance with the 96 Act. The Company's wireline subsidiaries also receive requests for transport and termination services from competitive local exchange carriers ("CLECs"); however, none of these requests have related to direct competition with the Company's wireline subsidiaries.

On December 24, 1996, the FCC issued its order implementing the accounting safeguards requirements of the 96 Act. These safeguards are designed to ensure that subscribers of regulated non-competitive telecommunications services do not subsidize incumbent local exchange carriers' provision of competitive services. As part of this order, the FCC adopted certain modifications to its affiliated transactions rules to provide greater protection against such subsidization. These rules did not have a material impact on the operations of the Company's wireline subsidiaries in 1997.

ALLTEL Oklahoma, Inc. applied for and was granted an across-the-board \$2.00 local rate increase in 1997; otherwise, there were no local rate increases requested by any of the Company's wireline subsidiaries in 1997, nor are there any rate requests currently pending before regulatory commissions. During 1997, wireline operations were affected by certain regulatory commission orders designed to reduce earnings levels. These orders did not materially affect the results of operations of the Company's wireline subsidiaries.

ALLTEL Corporation
Securities and Exchange Commission
Form 10-K, Part I

Item 1. Business

WIRELINE OPERATIONS (continued)

LOCAL SERVICE (continued)

Regulation (continued)

Certain states in which the Company's wireline subsidiaries operate have adopted alternatives to rate-of-return regulation, either through legislative or regulatory commission actions. On February 4, 1997, Arkansas enacted the Telecommunications Regulatory Reform Act of 1997, that, among other matters, authorizes telecommunications carriers in Arkansas to elect to be regulated under forms of regulation that substantially reduce regulatory oversight, establishes a universal service fund to compensate incumbent local exchange carriers for, among other matters, reductions in federal universal service support funds, and allows the local exchange company pricing flexibility. The Company has elected to be regulated under alternative regulation in Arkansas for its subsidiary, ALLTEL Arkansas, Inc. The Company has also elected alternative regulation for its Georgia subsidiaries, Sugar Land Telephone Company in Texas, ALLTEL Alabama, Inc., and has an Alternative Regulation application pending in North Carolina. In March 1997, the Alternative Regulation Plan in place for the Western Reserve Telephone Company expired. As a result, the Western Reserve Telephone Company reverted to rate base rate-of-return regulation. The Company continues to evaluate alternative regulation for its other wireline subsidiaries.

The Company's competitive local exchange subsidiary, ALLTEL Communications, Inc., ("ALLTEL Communications") has received approval to provide local exchange service in the states of Arkansas, Florida and North Carolina. ALLTEL Communications has negotiated interconnection agreements with the appropriate incumbent local exchange carriers in each of these states, and is installing state-of-the-art networks that will enable it to provide services on both a facilities-based and resale basis. The Company anticipates filing applications to provide service in other states in the near future. ALLTEL Communications will provide local services in combination with other services provided by subsidiaries of the Company, including long-distance, wireless and internet services.

Competition

Historically, the Company's wireline subsidiaries have not experienced significant competition in the service areas allocated to them by the state regulatory commissions. As a result of the passage of the 96 Act, the Company's local wireline subsidiaries may experience increased competition from various sources, including, but not limited to, resellers of their local exchange services, large end users installing their own networks, interexchange carriers, satellite transmission services, cellular communications providers, cable television companies, radio-based personal communications companies, competitive access providers and other systems capable of completely or partially bypassing the local telephone facilities. The Company cannot predict the specific effects of competition on its local telephone business, but is intent on taking advantage of the various opportunities that competition should provide. The Company is currently addressing potential competition by focusing on improved customer satisfaction, reducing its costs, increasing efficiency, restructuring rates, offering new products, and examining new markets for entry. To date, there has been no measurable effect on the Company's wireline subsidiaries due to competition.

ALLTEL Corporation
Securities and Exchange Commission
Form 10-K, Part I

Item 1. Business

WIRELINE OPERATIONS (continued)

LONG-DISTANCE SERVICES

General

The Company began offering long-distance telecommunications services during 1996. Long-distance services are provided on a resale basis by the Company's subsidiary, ALLTEL Communications. ALLTEL Communications provides long-distance service in all of the states in which the Company provides local exchange service. In addition, ALLTEL Communications offers its services outside of the Company's franchised, local exchange service areas. As of December 31, 1997, ALLTEL Communications had more than 281,000 customers.

Regulation

As a long-distance reseller, ALLTEL Communications' intrastate business is subject to limited regulation by state regulatory commissions and its interstate business is subject to regulation by the FCC. State regulatory commissions currently require long-distance resellers to obtain a certificate of operating authority and the majority also require long-distance resellers to file tariffs. The FCC issued an order which eliminated tariffing requirements. The FCC and most state regulatory commissions also require such companies to meet certain minimum service standards.

Competition

The long-distance marketplace is extremely competitive and continues to receive relaxed regulation from both the FCC and state regulatory commissions. To meet the competitive demands of the long-distance industry, ALLTEL Communications has created several business and residential service offerings necessary to attract potential customers, such as volume price discounts, calling cards and simplified one rate plans, to set itself apart from other competitors within the long-distance marketplace.

NETWORK ACCESS SERVICES

Long-distance companies pay access charges to the Company's wireline subsidiaries for the use of their local networks to originate and terminate their customers' long-distance calls.

Regulation

Access charges concerning interstate services are regulated by the FCC. As previously discussed, on May 7, 1997, the FCC issued regulations relating to access charge reform. The access charge reform regulations are applicable mainly to price cap regulated local exchange companies. Since ALLTEL's wireline subsidiaries are not price cap regulated companies, the access charge regulations, with few exceptions, are not applicable to them. The FCC has indicated that a further notice of proposed rulemaking will be issued during 1998 to address access charge reform for rate-of-return companies. As previously noted, petitions for reconsideration of certain aspects of the access charge reform order are pending at the FCC. In addition, petitions to review parts of this order have also been filed with various federal courts of appeal.

ALLTEL Corporation
Securities and Exchange Commission
Form 10-K, Part I

Item 1. Business

WIRELINE OPERATIONS (continued)

NETWORK ACCESS SERVICES (continued)

Regulation (continued)

The Company's wireline subsidiaries have elected to remain under rate base rate-of-return regulation with respect to interstate services. For companies remaining under rate-of-return regulation, the FCC authorizes a rate-of-return that telephone companies may earn on interstate services they provide. During 1997, the FCC did not represcribe the rate-of-return, which is currently 11.25 percent. The Company's wireline subsidiaries currently receive compensation from long-distance companies for intrastate, intraLATA services through access charges or toll settlements that are subject to state regulatory commission approval.

Billing and collection

Interstate billing and collection services were previously detariffed as ordered by the FCC. The Company's wireline subsidiaries continue to provide interstate billing and collection services for interexchange carriers through various agreements and also provide intrastate billing and collection services under state tariff arrangements or under contract where these services are detariffed.

Competition

One potential consequence of competition is the bypass of the Company's wireline subsidiaries' facilities by local networks constructed by new providers of local exchange telephone services. To date, there has been no significant measurable effect on the Company's wireline subsidiaries due to competition.

WIRELESS OPERATIONS

GENERAL

ALLTEL Mobile provides wireless telephone service to a wide array of customers in various markets throughout the United States, primarily located in the southeastern part of the United States. As wireless telephones have become increasingly popular across broader segments of the population, ALLTEL Mobile has, in addition to its traditional sales offices, opened retail outlets and located retail centers in high traffic department stores, where customers can purchase equipment and subscribe to ALLTEL Mobile services.

One measure of a wireless telephone market's potential is the market's population times the percent of a company's ownership interest of the wireless operation in that market ("pops"). ALLTEL Mobile owns a majority interest in wireless operations in 13 MSAs and a minority interest in 14 other MSAs, which total 5.2 million MSA wireless pops. ALLTEL Mobile also owns a majority interest in wireless operations in 43 RSAs and a minority interest in 33 other RSAs, which total 3.7 million wireless pops. ALLTEL Mobile operates systems in Montgomery, Alabama; Ft. Smith, Arkansas; Fayetteville, Arkansas; Little Rock, Arkansas; Ocala/Gainesville, Florida; Albany, Georgia; Aiken, South Carolina/Augusta, Georgia; Savannah, Georgia; Springfield, Missouri; Charlotte, North Carolina; Columbia, South Carolina and Florence, South Carolina.

ALLTEL Corporation
Securities and Exchange Commission
Form 10-K, Part I

Item 1. Business

WIRELESS OPERATIONS (continued)

GENERAL (continued)

ALLTEL Mobile's subscriber fees are based upon the prevailing market and competitive conditions which exist in each service area operated. During 1997, in response to increased current and expected future competition, the Company increased its offering of monthly service plans, which have lower base access rates and include more packaged airtime minutes. As a result of this action and continued penetration into lower-usage market segments, monthly revenue per customer decreased to \$52 for 1997, as compared to \$59 for 1996. At December 31, 1997, ALLTEL Mobile provided service to more than 941,000 customers, which, based on its 8.9 million total pops, represented a market penetration rate of 10.6 percent. For the year ended December 31, 1997, ALLTEL Mobile's churn rate averaged 2.3 percent in its wireless service areas, which is comparable to the industry average.

COMPETITION

Wireless carriers today face competition from a second carrier licensed to provide wireless telephone services in the same geographic area, from wireless resellers who buy bulk wireless services from one of the two licensees and resell it to their customers, and from providers of PCS and other enhanced mobile services. During 1997, several PCS providers began operations in ALLTEL Mobile's markets. The Company expects more PCS providers to begin operations in its markets during 1998. The Company is addressing competition by focusing on improved customer satisfaction, restructuring rates, increasing network capacity, expanding local calling areas, and offering new products and services.

The 96 Act provides wireless carriers numerous opportunities to emerge as full competitors to traditional telephone companies, including the opportunity to provide local telephone services and to be compensated by other telecommunications carriers for calls terminated on the wireless carriers' networks. Wireless carriers are not subject to the enhanced interconnection, resale, unbundling and other obligations that the 96 Act imposed on the local exchange companies. The FCC has found that wireless carriers should not be classified as local exchange carriers unless the FCC makes a finding that such treatment is warranted. The 96 Act limits the imposition on wireless carriers of equal access requirements without a detailed FCC rulemaking. The 1993 Omnibus Budget Reconciliation Act preempted most state regulation of wireless carriers, therefore, wireless carriers' services are likely to continue to be minimally regulated for the foreseeable future.

PAGING

ALLTEL Mobile also operates wide-area computer-driven paging networks as a complementary service to its wireless service in Arkansas and Florida. At December 31, 1997, ALLTEL Mobile provided paging service to more than 32,000 customers, which, based on the total pops in its service areas of 2.0 million, represented a market penetration rate of 1.6 percent. For the year ended December 31, 1997, revenues per subscriber averaged \$10 per month, and ALLTEL Mobile's churn rate averaged 2.6 percent in its paging service areas. The Company also resells paging services in other ALLTEL Mobile wireless service areas.

ALLTEL Corporation
Securities and Exchange Commission
Form 10-K, Part I

Item 1. Business

INFORMATION SERVICES

GENERAL

ALLTEL Information Services provides a wide range of information processing services primarily to the financial services and telecommunications industries through information processing centers that it staffs, equips and operates. Information processing contracts are generally for a multi-year period. ALLTEL Information Services also develops and markets software worldwide to financial services and telecommunications companies operating their own information processing departments. The principal operating units of the Company's information services business consist of the Financial Services Division and the Telecommunications Division.

The Financial Services Division markets software and services that have been developed and improved continuously over the last three decades and are designed to fulfill substantially all of the retail and wholesale information processing and management information requirements of financial institutions. In addition, the Financial Services Division also provides data processing and related computer software and systems to financial institutions originating and/or servicing single family mortgage loans. This division's software products and processing services, combined with its team of consultants, are intended to offer a cost-effective alternative to the extensive technical support staff and the enlarged group of mortgage bankers which would otherwise have to be assembled in-house by each customer. The Financial Services Division's on-line systems automate processing functions required in the origination of mortgage loans, the management of such loans while in inventory before they are sold in the secondary market, and their subsequent servicing.

The Telecommunications Division is primarily engaged in the development and marketing of billing services and customer care software, including its state-of-the-art Virtuoso II billing and customer care product, to local telephone, wireless and PCS companies. In addition, the Telecommunications Division provides data processing and outsourcing services to both wireline and wireless telecommunications service providers.

CUSTOMERS

The Financial Services Division's primary markets for its financial products and services are the nation's commercial banks and savings institutions and financial institutions throughout the world. Financial software and services are also marketed to credit unions and to financial institutions originating or servicing single family mortgage loans. These financial institutions, which include many of the largest servicers of residential mortgages, are located throughout the United States. In total, more than 18 million mortgage loans representing over \$1.6 trillion are processed using the Financial Services Division's software.

The Telecommunications Division's primary markets for its telecommunications products and services consist of the top 40 telephone companies and the top 50 cellular companies in the United States, and certain PCS companies in the United States, and approximately 100 international telecommunications companies. The roll out of the wireless companies that will operate within the PCS spectrum bandwidths in the United States has significantly increased the potential customer base of the Telecommunications Division.

ALLTEL Corporation
Securities and Exchange Commission
Form 10-K, Part I

Item 1. Business

INFORMATION SERVICES (continued)

COMPETITION

The Financial Services Division's competition primarily comes from "in-house" bank information processing departments and other companies engaged in active competition for financial institution outsourcing contracts. Numerous large financial institutions provide information processing for smaller institutions in their respective geographic areas, along with other companies that perform such services for small institutions. The Telecommunications Division also faces strong competition from internal information technology departments. In addition, there are also other information services' companies that provide information processing and management services to the telecommunications industry.

ALLTEL Information Services competes in each of its markets by providing a high level of service and support. ALLTEL Information Services substantially relies upon and vigorously enforces contract and trade secret laws and internal non-disclosure safeguards to protect the proprietary nature of its computer software and service methodologies.

REGULATION AND EXAMINATION

The Financial Services Division is regulated by the federal agencies that have supervisory authority over banking, thrift, and credit union operations. The Financial Services Division is also classified as one of 12 national vendors that, as a result of their market share, process a significant portion of the financial industry's assets. These industry leaders are also examined by the federal Financial Institutions Examination Council on an ongoing basis. ALLTEL Information Services' management practices, policies, procedures, standards, and overall financial condition are components of these reviews.

In addition to these corporate examinations, individual processing sites are subject to examination, as if they were departments of their respective clients, by federal and state regulators, as well as the clients' internal audit departments and their independent auditing firms. The same standards of performance are applied to those information processing centers as are applied to the client financial institutions. Reports of the individual data center performance are furnished to the Board of Directors of ALLTEL Information Services and to the Board of Directors of the examined client. The supervisory agencies include applicable state banking departments, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the National Credit Union Administration. ALLTEL Information Services' processing contracts include a commitment to install all necessary changes in its computer software that are required by changes in regulations.

The Company operates transmitters at the network's information processing facility hub and operates very small aperture technology ("VSAT") earth stations at numerous customer locations. Prior to initiation, construction or operation of the transmitters used in a VSAT satellite network, operators of these transmitters are required by the Communications Act of 1934 to be authorized by the FCC. The FCC grants licenses to VSAT operators for a predetermined number of earth stations that may be placed at unspecified locations in the United States. The Company holds five VSAT licenses to operate its domestic earth station satellite network, consisting of one 8.1m license for its VSAT hub located in Jacksonville, Florida and four other VSAT licenses ranging from 1.0m to 2.4m. Three of the VSAT licenses, including the 8.1m license, were renewed during 1997 and will expire in 2007, while the remaining two VSAT licenses will expire in 2003.

ALLTEL Corporation
Securities and Exchange Commission
Form 10-K, Part I

Item 1. Business

INFORMATION SERVICES (continued)

PRODUCT DEVELOPMENT AND SUPPORT

In the past five years, ALLTEL Information Services has spent approximately \$503 million (\$114 million in 1997) on mainframe and client/server software design and development. ALLTEL Information Services is also developing products that are utilized in a UNIX based environment, including the Telecommunications Division's Virtuoso II billing and customer care product, which became operational in 1996. Changes in regulatory requirements of both state and federal authorities, increasing competition, and the development of new products and markets create the need to continually update or modify existing software and systems offered to customers. ALLTEL Information Services intends to continue to maintain, improve, and expand the functions and capabilities of its software products over the next several years.

PRODUCT DISTRIBUTION OPERATIONS

GENERAL

ALLTEL Supply, Inc. ("ALLTEL Supply"), with 8 warehouses and 24 counter-sales showrooms across the United States, is a major distributor of telecommunications equipment and materials. It supplies equipment to affiliated and non-affiliated telephone companies, business systems suppliers, railroads, governments, and retail and industrial companies. As previously noted, in May 1997, the Company sold its wire and cable subsidiary, HWC.

COMPETITION

ALLTEL Supply experiences substantial competition throughout its sales territories from other distribution companies and from direct sales by manufacturers. Competition is based primarily on quality, product availability, service, price, and technical assistance. Since the products distributed by ALLTEL Supply are also offered by other competitors, ALLTEL Supply differentiates itself from competitors by providing value-added services such as offering expert technical assistance, maintaining extensive inventories in strategically located warehouses and counter-sales showrooms to facilitate single supplier sourcing and "just-in-time" delivery, maintaining a full range of alternative product lines, and by providing staging, assembly and other services. The Company is continually evaluating and implementing policies and strategies which will meet customer expectations and position ALLTEL Supply in the market as a quality customer-focused distributor.

PRODUCTS

ALLTEL Supply offers more than 50,000 products for sale. Of these, ALLTEL Supply inventories single and multi-line telephone sets, local area networks ("LANs"), switching equipment modules, interior cable, pole line hardware, and various other telecommunications supply items. ALLTEL Supply has not encountered any material shortages or delays in delivery of products from their suppliers.

ALLTEL Corporation
Securities and Exchange Commission
Form 10-K, Part I

Item 1. Business

DIRECTORY PUBLISHING

ALLTEL Publishing coordinates advertising, sales, printing, and distribution for 317 telephone directories in 36 states. Under terms of an agreement with GTE Directories, ALLTEL Publishing provides all directory publishing services including contract management, production and marketing. As subcontractor, GTE Directories provides directory sales and printing services through a separate contract with ALLTEL Publishing.

INVESTMENTS

WORLDCOM, INC.

The Company currently owns approximately a 2 percent interest in WorldCom, Inc., a publicly-held company. WorldCom, Inc. is a large long-distance company in the United States and is a full service provider of international telecommunications and specialized broadcasting services. During 1997, the Company sold a portion of its investment in WorldCom, Inc.

APEX GLOBAL INFORMATION SERVICES, INC.

During 1996, the Company made an approximate \$5 million investment in Apex Global Information Services, Inc. ("AGIS"), one of only six global providers of Internet access services. During 1997, the Company invested an additional \$10 million in AGIS. As a result, the Company owns approximately a 12 percent interest in AGIS.

HORIZON TELECOM, INC.

The Company owns a 19.8 percent interest in Horizon Telecom, Inc., which serves approximately 27,000 telephone access lines in Ohio. Frederick G. Griech, President of ALLTEL Communications Service Corporation's Northeast Region, and Dennis Mervis, President of ALLTEL Ohio, Inc. and The Western Reserve Telephone Company, are members of Horizon Telecom, Inc.'s Board of Directors.

HUGHES ISPAT LIMITED

During 1997, the Company made an approximate \$21 million investment in Hughes Ispat Limited ("HIL"), a start-up, limited liability company in India. HIL has received a license to provide basic telephone and other enhanced communications services in the state of Maharashtra, India. Currently, HIL is constructing network facilities and expects to begin operations in late 1998. As a result of its investment, the Company owns approximately a 13 percent interest in HIL. Francis X. Frantz, Senior Vice President-External Affairs, General Counsel and Secretary is a member of HIL's Board of Directors.

OTHER

During 1996, the Company sold all of its remaining shares of stock in Comdial Corporation, a producer of telephone sets and key systems. During 1995, the Company made an approximate \$32 million investment in GO Communications Corporation ("GOCC"). The Company's investment in GOCC was subject to a number of conditions, including GOCC's ability to secure "C" band licenses in the PCS auctions conducted by the FCC. Following GOCC's decision to exit the PCS auctions, the Company elected to withdraw its investment.

ALLTEL Corporation
Securities and Exchange Commission
Form 10-K, Part I

Item 2. Properties

WIRELINE PROPERTY

The Company's wireline subsidiaries own property in their respective operating territories which consists primarily of land and buildings, central office equipment, telephone lines, and related equipment. The telephone lines include aerial and underground cable, conduit, poles and wires. Central office equipment includes digital switches and peripheral equipment. The gross investment by category in wireline property as of December 31, 1997, was as follows:

	<u>(Thousands)</u>
Wireline-	
Land, buildings and leasehold improvements	\$ 284,907
Central office equipment	1,361,989
Outside plant	2,126,615
Furniture, fixtures, vehicles and other	294,991
Total	<u>\$4,068,502</u>

Certain properties of the Company and its wireline subsidiaries are pledged as collateral for long-term debt.

OTHER PROPERTY

Other properties of the Company in service consist primarily of property, plant and equipment used in providing wireless communications services, information services and product distribution operations. The total investment by category for the non-wireline operations of the Company as of December 31, 1997, was as follows:

	<u>(Thousands)</u>
Land, buildings and leasehold improvements	\$ 237,905
Data processing equipment	411,267
Wireless telephone plant and equipment	503,225
Furniture, fixtures and miscellaneous	90,844
Total	<u>\$1,243,241</u>

All of the Company's property is considered to be in reasonably sound operating condition.

ALLTEL Corporation
Securities and Exchange Commission
Form 10-K, Part II

Item 3. Legal Proceedings

On July 12, 1996, the Georgia Public Service Commission ("Georgia PSC") issued an order requiring that ALLTEL's wireline subsidiaries which operate within its jurisdiction reduce their annual network access charges by \$24 million, prospectively, effective July 1, 1996. As further discussed in Management's Discussion and Analysis of Financial Condition and Results of Operations (see "Results of Operations by Business Segment: Communications-Wireline Operations"), the Company appealed the Georgia PSC order and received a favorable decision from the Superior Court of Fulton County, Georgia (the "Superior Court"). The Georgia PSC appealed the Superior Court's decision, and on July 3, 1997, the Georgia Court of Appeals reversed the Superior Court's decision. On August 5, 1997, the Company filed with the Georgia Supreme Court a petition for writ of certiorari requesting that the Georgia Court of Appeals decision be reversed. On February 5, 1998, the Georgia Supreme Court announced that it will review the Company's petition. The Company has not implemented any revenue reductions or established any reserves for refunds related to this matter.

The Company is not currently involved in any other material pending legal proceedings, other than routine litigation incidental to its business, and, to the knowledge of the Company's management, no material legal proceedings, either private or governmental, are contemplated or threatened.

Item 4. Submission of Matters to a Vote of Security Holders

No matters were submitted to the security holders for a vote during the fourth quarter of 1997.

Item 5. Market for the Registrant's Common Equity and Related Stockholder Matters

As of January 31, 1998, the approximate number of stockholders of common stock including an estimate for those holding shares in brokers' accounts was 91,000. For additional information pertaining to Markets for ALLTEL Corporation's Common Stock and Related Stockholder Matters, refer to pages 29, 31, 35, 36 and 41 of ALLTEL's 1997 Annual Report to Stockholders, which is incorporated herein by reference.

Item 6. Selected Financial Data

For information pertaining to Selected Financial Data of ALLTEL Corporation, refer to page 26 of ALLTEL's 1997 Annual Report to Stockholders, which is incorporated herein by reference.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

For information pertaining to Management's Discussion and Analysis of Financial Condition and Results of Operations of ALLTEL Corporation, refer to pages 19-24 of ALLTEL's 1997 Annual Report to Stockholders, which is incorporated herein by reference.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The Company is exposed to market risk from changes in marketable equity security prices and from changes in interest rates on long-term debt obligations that impact the fair value of these obligations, as further discussed below.

ALLTEL Corporation
Securities and Exchange Commission
Form 10-K, Part II

Item 7A. Quantitative and Qualitative Disclosures About Market Risk (continued)

At December 31, 1997, investments of the Company are recorded at fair value of \$775.6 million. The fair value of investments is based on quoted market prices and the carrying value of investments for which there is no quoted market price. Of the total investments, marketable equity securities, consisting principally of the Company's investment in WorldCom, Inc. common stock, amounted to \$575.5 million and included unrealized holding gains of \$300.7 million. The marketable equity securities held by the Company have exposure to price risk, which is estimated as the potential loss in fair value due to a hypothetical 10 percent adverse change in quoted market prices, and would amount to a decrease in the recorded value of investments of approximately \$57.6 million.

The Company has no material future earnings or cash flow exposures from changes in interest rates on its long-term debt obligations, as substantially all of the Company's long-term debt obligations are fixed rate obligations. At December 31, 1997, the fair value of the Company's long-term debt was estimated to be \$1.930 billion based on the overall weighted rate of the Company's long-term debt of 7.0 percent and an overall weighted maturity of 12 years compared to terms and rates currently available in the long-term financing markets. Such fair value exceeded the carrying value of long-term debt by approximately \$56 million. Market risk is estimated as the potential decrease in fair value of the Company's long-term debt resulting, from a hypothetical increase of 70 basis points in interest rates (10 percent of the Company's overall weighted average borrowing rate). Such an increase in interest rates would result in approximately a \$70 million decrease in the fair value of the Company's long-term debt.

Although the Company conducts business in foreign countries, the international operations are not material to the Company's consolidated financial position, results of operations or cash flows. Additionally, foreign currency translation gains and losses were not material to the Company's results of operations for the year ended December 31, 1997. Accordingly, the Company is not currently subject to material foreign currency exchange rate risk from the effects that exchange rate movements of foreign currencies would have on the Company's future costs or on future cash flows it would receive from its foreign subsidiaries. To date, the Company has not entered into any significant foreign currency forward exchange contracts or other derivative financial instruments to hedge the effects of adverse fluctuations in foreign currency exchange rates. The Company is evaluating the future use of such financial instruments.

Item 8. Financial Statements and Supplementary Data

For information pertaining to Financial Statements and Supplementary Data of ALLTEL Corporation, refer to pages 25 and 27-39 of ALLTEL's 1997 Annual Report to Stockholders, which is incorporated herein by reference.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

During the two most recent fiscal years or the subsequent interim period up to the date of this Form 10-K, there were no disagreements with the Company's independent certified public accountants on any matter of accounting principles or practices, financial statement disclosures or auditing scope or procedures. In addition, none of the "kinds of events" described in item 304(a)(1)(v)(A), (B), (C) and (D) of Regulation S-K have occurred.

ALLTEL Corporation
Securities and Exchange Commission
Form 10-K, Part III

Item 10. Directors and Executive Officers of the Registrant

For information pertaining to Directors of ALLTEL Corporation refer to "Election of Directors" in ALLTEL's Proxy Statement for its 1998 Annual Meeting of Stockholders, which is incorporated herein by reference. Executive officers of the Company are as follows:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Joe T. Ford	60	Chairman and Chief Executive Officer
Scott T. Ford	35	President
Tom T. Orsini	47	Executive Vice President
Dennis J. Ferra	44	Senior Vice President and Chief Financial Officer
Francis X. Frantz	44	Senior Vice President - External Affairs, General Counsel and Secretary
John L. Comparin	45	Vice President - Human Resources and Administration
Ronald D. Payne	51	Vice President - Business Development
Jerry M. Green	50	Treasurer
John M. Mueller	47	Controller

There are no arrangements between any officer and any other person pursuant to which he was selected as an officer. Except for Scott T. Ford, each of the officers named above has been employed by ALLTEL or a subsidiary for the last five years. Prior to joining ALLTEL, Scott T. Ford served as Assistant to the Chairman of Stephens Group, Inc. of Little Rock, Arkansas. Scott T. Ford is the son of Joe T. Ford.

Item 11. Executive Compensation

For information pertaining to Executive Compensation, refer to "Management Compensation" in ALLTEL's Proxy Statement for its 1998 Annual Meeting of Stockholders, which is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management

For information pertaining to beneficial ownership of ALLTEL securities, refer to "Security Ownership of Certain Beneficial Owners and Management" in ALLTEL's Proxy Statement for its 1998 Annual Meeting of Stockholders, which is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions

For information pertaining to Certain Relationships and Related Transactions, refer to "Certain Transactions" in ALLTEL's Proxy Statement for its 1998 Annual Meeting of Stockholders, which is incorporated herein by reference.

ALLTEL Corporation
Securities and Exchange Commission
Form 10-K, Part IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) The following documents are filed as a part of this report:

1. Financial Statements:

The following Consolidated Financial Statements of ALLTEL Corporation and subsidiaries, included in the annual report of ALLTEL Corporation to its stockholders for the year ended December 31, 1997, are incorporated herein by reference:

	<u>Annual Report Page Number</u>
Report of Independent Public Accountants	25
Consolidated Statements of Income - for the years ended December 31, 1997, 1996 and 1995	27
Consolidated Balance Sheets - December 31, 1997 and 1996	28-29
Consolidated Statements of Cash Flows - for the years ended December 31, 1997, 1996 and 1995	30
Consolidated Statements of Shareholders' Equity - for the years ended December 31, 1997, 1996 and 1995	31
Notes to Consolidated Financial Statements	33-39
Supplementary Information-Business Segment Information	32-33

The Consolidated Financial Statements and Supplementary Financial Information listed in the above index which are included in the 1997 Annual Report to Stockholders of ALLTEL Corporation are hereby incorporated by reference.

	<u>Form 10-K Page Number</u>
2. <u>Financial Statement Schedules:</u> Report of Independent Public Accountants	21
Schedule II. Valuation and Qualifying Accounts	22

3. Exhibits:

See "Exhibit Index" located on page 23-27 of this document.

(b) No reports on Form 8-K were filed during the last quarter of 1997.

Separate condensed financial statements of ALLTEL Corporation have been omitted since the Company meets the tests set forth in Regulation S-X Rule 4-08(e)(3). All other schedules are omitted since the required information is not present or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements and notes thereto.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ALLTEL Corporation
Registrant

By /s/ Joe T. Ford
Joe T. Ford, Chairman and
Chief Executive Officer

Date: February 11, 1998

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By /s/ Dennis J. Ferra
Dennis J. Ferra, Senior Vice President and
Chief Financial Officer

Date: February 11, 1998

* Joe T. Ford, Chairman, Chief Executive Officer
and Director

* Scott T. Ford, President and Director

* Dennis J. Ferra, Senior Vice President and
Chief Financial Officer

* John M. Mueller, Controller

* Michael D. Andreas, Director

* John R. Belk, Director

* Lawrence L. Gellerstedt III, Director

* W. W. Johnson, Director

* Emon A. Mahony, Jr., Director

* John P. McConnell, Director

* Josie C. Natori, Director

* Ronald Townsend, Director

* William H. Zimmer, Jr., Director

By /s/ Dennis J. Ferra
* (Dennis J. Ferra,
Attorney-in-fact)

Date: February 11, 1998

Tariff of

ALLTEL Communications, Inc.

South Carolina

This Tariff, filed with the South Carolina Public Service Commission, contains the rates, terms and conditions applicable to the provision of local exchange services provided by ALLTEL Communications, Inc. within the State of South Carolina.

TARIFF

ALLTEL COMMUNICATIONS, INC.
South Carolina

Table of Contents
Original Page 1

Effective:

Issued:

TABLE OF CONTENTS

Section

- | | |
|----|---|
| 1 | Utility Information |
| 2 | Tariff Format |
| 3 | Definitions |
| 4 | Application of Tariff |
| 5 | Obligation and Liability of Company |
| 6 | Use of Service and Facilities |
| 7 | Establishment and Furnishing of Service |
| 8 | Telephone Directories |
| 9 | Local Exchange Service |
| 10 | Promotional Offerings |
| 11 | Special Arrangements |

TARIFF

ALLTEL COMMUNICATIONS, INC.
South Carolina

SECTION 1
Original Page 1

Issued:

Effective:

UTILITY INFORMATION

Utility Official:	Larry Whipkey Staff Manager - Rates and Tariffs
Telephone Number:	501-905-5053
Mailing Address:	ALLTEL Communications, Inc. One ALLIED Drive P.O. Box 2177 Little Rock, AR 72203

TARIFF

ALLTEL COMMUNICATIONS, INC.
South Carolina

SECTION 2
Original Page 1

Issued:

Effective:

TARIFF FORMAT

2.1 TARIFF SYMBOLS

- 2.1.1. The following symbols appear in the right margin opposite any revision to the previously approved Tariff.

<u>Symbol</u>	<u>Explanation</u>
(D)	Deleted Text or Rate
(C)	Change in Text, Rate or Practice
(N)	New Rate or Regulation
(M)	Move Text

2.2. PAGE NUMBERING

- 2.2.1. Page numbers appear in the upper right corner of the sheet. After the Table of Contents, the Tariff is divided into section, each page in each section is numbered sequentially beginning with 1. When a new page is added between pages already in effect, a decimal is added. For example, a new page added between page 5 and 6 would be 5.1.

2.3. PAGE REVISIONS

- 2.3.1. Page revisions appear in the upper right corner of the page and are used to determine the most current page version on file with the South Carolina Public Service Commission. For example, the 3rd Revised Page No. 16 Canceling 2nd Revised Page No. 16.

2.4. PARAGRAPH NUMBERING SEQUENCE

- 2.4.1. There are seven levels of paragraph numbering.

2.
2.1.
2.1.1.
2.1.1.A.
2.1.1.A.(1)
2.1.1.A.(1)a.
2.1.1.A.(1)a.(i)

TARIFF

ALLTEL COMMUNICATIONS, INC.
South Carolina

SECTION 3
Original Page 1

Effective:

Issued:

DEFINITIONS

3. DEFINITIONS

Access Code

A sequence of numbers that, when dialed, connect the caller to the provider of services associated with that sequence.

Access Line

The company provided facility which provides access to the switched network.

ACI or Company

ALLTEL Communications, Inc., the issuer of this tariff.

Aggregator

Any person or entity that, in the ordinary course of its operations, makes telephones available to the public or to transient users of its premises, for intrastate telephone calls using a provider of operator services. An aggregator is also both an Authorized User and a Customer.

Authorization Code

A numerical code, one or more of which may be assigned to a Customer, to enable the Company to identify the origin of the service user so that the Company may rate and bill the call. All Authorization Codes shall be the sole property of the Company and no Customer shall have any property or other right or interest in the use of any particular Authorization Code. Automatic Numbering Identification ("ANI") may be used as or in connection with the Authorization Code.

Authorized User

A person or entity which accesses the Company's services.

Billed Party

The person or entity responsible for payment for use of the Company's services. For a Direct Dialed Call, the person or entity responsible for payment is the Customer responsible for payment for local telephone service at the telephone used to originate the call. In the case of a credit card call, the person or entity responsible for payment is the person to whom the card is issued and the holder of the credit card used. In the case of third party call, the person or entity responsible for payment is the person responsible for payment for local telephone service at the telephone number that agrees to accept charges for the call. In the case of a Room Charge Call, the entity responsible for payment is the Aggregator controlling the telephone used to originate the call. In the case of all Operator Assisted Calls not involving credit cards, third party calls or Room Charge Calls, the person or entity responsible for payment is the Customer responsible for payment for local telephone service at the telephone used to originate the call.

Central Office (CO)

A Local Exchange Carrier switching system where Local Exchange Carrier Customer station loops are terminated for purposes of interconnection to each other and to trunks.

Channel

A path for electrical transmission between two or more points, the path having a band width designed to carry voice grade transmission.

Issued:

DEFINITIONS3. DEFINITIONS (continued)Circuit (Channel)

One communication path between two or more points suitable for transmitting communication information.

Common Carrier

A company or entity providing telecommunications services to the public.

Commission

The South Carolina Public Service Commission.

Connecting Company

A corporation, association, firm or individual owning and operating one or more central offices and with whom traffic is interchanged.

Contract

The term "Contract" refers to the service agreement between a Customer and the Company and the applicable provisions of the Tariff under which service and facilities are furnished.

Credit Card Call

A Direct Dialed or Operator Assisted Call for which charges are billed not to the originating telephone number, but to a credit card, such as Visa or MasterCard, or to a LEC or interexchange carrier calling card.

Customer

The person, partnership, association, joint stock company, trust, corporation, governmental entity or other entity, that is responsible for payment of charges and for compliance with this Tariff.

DID Trunk

A form of local switched access that provides the ability for an outside party to call an internal extension directly without the intervention of the attendant.

Direct Dialed Call

A telephone call which is automatically completed and billed to the telephone number from which the call originated without the automatic or live assistance of an operator. This includes calls forwarded by call forwarding equipment.

Effective:

Issued:

DEFINITIONS3. DEFINITIONS (continued)Direct Inward Dialing (DID)

Allows an incoming call from the exchange network to reach a specific station line without attendant assistance.

Directory

An alphabetically arranged list of the names, telephone numbers, and addresses of Customers of the local exchange.

Exchange

A unit established by the Local Exchange Carrier for the administration of communications service in a specified area which usually embraces a city, town or village and its environments. It consists of one or more Central Offices together with the associated facilities used in furnishing communications service within that area.

Exchange Service

See Local Exchange Service as defined in Section 4 of this Tariff.

Extended Area Service (EAS)

Exchange service between different exchange areas whereby the Customers of one exchange may call and be called by the Customers of the other exchange or exchanges without specific message toll charges, but at a fixed monthly rate.

A local exchange service that is provided between two or more exchange areas.

Facilities

All of the Company equipment or materials necessary to provide or furnish in connection with telecommunication service.

FCC

Federal Communications Commission

Flat Rate Service

Service furnished at a fixed monthly charge, including extended area service where applicable.

Installation

The initial establishment of service.

Termination of service at one location and reestablishing service at a different location, generally where no lapse of service has occurred.

IntraLATA

Within the same LATA

Issued:

DEFINITIONS3. DEFINITIONS (continued)LATA

Local Access and Transport Area.

Intrastate

Within the State of South Carolina.

InterLATA

From one LATA to another LATA.

Local Exchange Carrier (LEC)

A telephone company which provides local telephone service to Customers within a defined exchange.

Local Exchange Service

All telecommunications service between Customers who are located within the Local Service Area.

Local Service Area

The area within which are located the Customer locations to which calls may be made under a specified schedule of exchange rates without the payment of toll charges.

Long Distance Message Telecommunications Service (LDMTS)

The furnishing of direct dialed and operator assisted switched services to the Customer for the completion of long distance voice and dial-up low speed data transmissions over voice grade channels.

Non-Recurring Charge

A one-time charge which represents services requested by the Customer.

Operator Assisted Call

A telephone connection completed through the use of the Company's Operator Services.

Operator Station Calls

An Operator Assisted Call wherein the person originating the call is assisted by an operator but does not specify a particular person, department or extension to be reached.

Other Common Carrier

A common carrier, other than the Company, providing domestic or international communications service to the public.

Effective:

Issued:

DEFINITIONS3. DEFINITIONS (Continued)Personal Identification Numbers (PINs)

Code numbers used in connection with designated telephone numbers which allow access and allow calls to be categorized for various applications.

Person-to-Person Calls

An Operator Assisted Call which is placed under the stipulation that the caller will speak only to a specific called party or to a specified extension or office. Such a call is not completed until either the specific party named by the caller is contacted, or the caller agrees to speak to a different party. The caller must arrange with the operator to make a person-to-person call; otherwise, all calls will be treated as Operator Station Calls.

Points of Presence

The sites where the Company provides a network interface with facilities provided by Other Common Carriers, Local Exchange Carriers or Customers for access to the Company's network.

Premises

A building or buildings on contiguous property (except property, such as railroad rights-of-way) not separated by a public street or highway.

Presubscribed Provider of Operator Services

The intrastate provider of operator services to which the consumer is connected when the consumer places a call using a provider of operator services without dialing an access code.

Room Charge Call

A call placed with the assistance of an operator, for which charges are collected by an Aggregator (normally a hotel, motel or hospital) from the guest or occupant of the room from which the call originated. A call of this type requires that the Company communicate the call detail and charges back to the originating location following completion of the call. This service is provided only where authorized by the Aggregator.

Services

Telecommunications services provided to a Customer or Authorized User by the Company.

Telecommunications

The transmission of voice communications or, subject to the transmission capabilities of the Service, the transmission of data, facsimile, signaling, metering or any other form of intelligence.

Telephone Number

A designation assigned to a Customer's station for convenience in operating. Telephone numbers may include the name of a central office, which is termed the "Central Office Designation."

Telephone Service

Services including voice, data, and all other types of telecommunications services involving the transmission of intelligence by electrical means which are offered under the Company's Tariffs.

ALLTEL COMMUNICATIONS, INC.
South Carolina

Effective:

Issued:

DEFINITIONS

3. DEFINITIONS (Continued)

Third-Party Call

An Operator Assisted Call for which charges are billed not to the originating number, but to another telephone number which is neither the originating nor the terminating telephone number.

Toll Message

A completed call between two local service areas, which incurs a charge, or toll.

TARIFF

ALLTEL COMMUNICATIONS, INC.
South Carolina

SECTION 4
Original Page 1

Effective:

Issued:

APPLICATION OF TARIFF

4. Application of Tariff

- 4.1. The following sections of this Tariff apply to the local exchange services and facilities furnished by the Company.
- 4.2. Local Exchange Service provided by the Company may be subject to the rules and regulations of the Commission and the laws of the State of South Carolina to the extent applicable and legally binding upon the Company.
- 4.3. Local Exchange Service provides unlimited free calling within the local calling area.
- 4.4. LOCAL CALLING AREA
 - 4.4.1 The local calling area of ALLTEL Communications, Inc. is within the State of South Carolina.

TARIFF

ALLTEL COMMUNICATIONS, INC.
South Carolina

SECTION 5
Original Page 1

Issued:

Effective:

OBLIGATION AND LIABILITY OF COMPANY

5. OBLIGATION AND LIABILITY OF COMPANY

5.1. AVAILABILITY OF FACILITIES

- 5.1.1. The Company's willingness to furnish local exchange service is dependent upon its ability to secure and retain, without unreasonable expense, suitable facilities and rights for the construction and maintenance of the necessary pole lines, buried and underground facilities, circuits and equipment.

5.2. DIRECTORY AND ADVERTISING ERRORS AND OMISSIONS

- 5.2.1. The Company may at its discretion, include its Customer's listings in the directory of other local telephone companies.
- 5.2.2. The Company, except as provided herein, shall not be liable for damage claimed on account of errors in or omissions from any directories nor for the result of the publications of such errors in a directory nor will the Company be a party to controversies arising between Customers or others as a result of listings published in any directories.
- 5.2.3. In the cases of extra listings in the alphabetical section (white pages) of any directory for which a charge is made, the Company's liability shall be limited to the cancellation of the charges and refunding of any charges already paid at the request of the Customer, in question.
- 5.2.4. The Company assumes no liability whatsoever for damages arising from errors or omissions in the making up or printing of directory advertising sections (yellow pages).

5.3. TRANSMITTING MESSAGES

- 5.3.1. The Company does not transmit messages but offers the use of its facilities for communications between patrons. If because of transmission difficulties the operator, in order to accommodate the Customer, repeats messages, no liability shall attach to the Company because of any errors made by the operator or misunderstandings that may arise between Customers because of the error.

5.4. USE OF CONNECTING COMPANY LINES

- 5.4.1. When suitable arrangements can be made, lines of other companies may be used in establishing wired connections to points not reached by this Company's lines. In establishing connections with the lines of other companies, the Company is not responsible or liable for any action of the connecting company.

5.5. DEFAACEMENT OF PREMISES

- 5.5.1. The Company shall exercise due care in connection with all work done on the Customer's premises. No liability shall attach to the Company by reason of any defacement or damage to the Customer's premises or person resulting from the existence of the Company's instruments, apparatus and wiring on such premises, or by the installation or removal thereof, unless such defacement or damage is the result of the sole negligence of the Company.

5.6. PROVISION OF LOCAL EXCHANGE SERVICE

- 5.6.1. Local Exchange Service will be terminated at the Customer's premises, or where the Customer-provided equipment involves "common equipment" at an alternate premises in the same building, if requested by the Customer and agreed to by the Company.

Issued:

Effective:

OBLIGATION AND LIABILITY OF COMPANY

5. OBLIGATION AND LIABILITY OF COMPANY (Continued)

5.7 LIABILITY OF THE COMPANY

- 5.7.1 Except as stated in this Paragraph 5.7, the Company shall have no liability for damages of any kind arising out of or related to events, acts, rights or privileges contemplated in this Tariff.
- 5.7.2 The liability of the Company, if any, for damages resulting in whole or in part from or arising in connection with the furnishing of Service under this Tariff (including but not limited to mistakes, omissions, interruptions, delays, errors or other defects in transmission, or failures or defects in facilities furnished by the Company) or arising out of any failure to furnish Service, shall in no event exceed an amount of money equivalent to the proportionate charge to Customer for the period of service during which such mistakes, omissions, interruptions, delays or errors or defects in transmission occur and continue. However, any such mistakes, omissions, interruptions, delays, errors, or defects in transmission or service which are caused by or contributed to by the negligence or willful act or omission of Customer, or which arise from the use of Customer-provided facilities or equipment, shall not result in the imposition of any liability whatsoever upon the Company.
- 5.7.3 The Company is not liable for any act, omission or negligence of any Local Exchange Carrier or other provider whose facilities are used concurrently in furnishing any portion of the services received by Customer, or for the unavailability of or any delays in the furnishing of any services or facilities which are provided by any Local Exchange Carrier. Should the Company employ the service of any Other Common Carrier in furnishing the services provided to Customer, the Company's liability shall be limited according to the provisions of Paragraph 5.7.2 above.
- 5.7.4 The Company shall not be liable for any failure of performance hereunder due to causes beyond its control, including but not limited to fire, flood, or other catastrophes; Acts of God; atmospheric conditions or other phenomena of nature, such as radiation; any law, regulation, directive, order or request of the United States Government, or any other government including state and local governments having any jurisdiction over the Company or the services provided hereunder; national emergencies; civil disorder, insurrections, riots, wars, strikes, lockouts, work stoppages, or other labor problems or regulations established or actions taken by any court or government agency having jurisdiction over the Company.
- 5.7.5 The Company shall not be liable for any act or omission of any other entity furnishing to the Customer facilities or equipment used with the service furnished hereunder; nor shall the Company be liable for any damages or losses due in whole or in part to the fault or negligence of the Customer or due in whole or in part to the failure of Customer-provided equipment or facilities.

Issued:

Effective:

OBLIGATION AND LIABILITY OF COMPANY

5. OBLIGATION AND LIABILITY OF COMPANY (Continued)

5.7 LIABILITY OF THE COMPANY (Continued)

5.7.6 The Company shall be indemnified and held harmless by the Customer and Authorized User from and against all loss, liability, damage, and expense, including reasonable attorney's fees, due to claims for libel, slander, or infringement of copyright or trademark in connection with any material transmitted by any person using the Company's Services and any other claim resulting from any act or omission of the Customer or Authorized User relating to the use of the Company's facilities.

5.7.7 Under no circumstances whatever shall the Company or its officers, directors, agents, or employees be liable for indirect, incidental, special or consequential damages.

Issued:

Effective:

USE OF SERVICES AND FACILITIES

6. USE OF SERVICE AND FACILITIES

6.1. REFUSAL OF SERVICE

6.1.1. The Company reserves the right to refuse service to any person requesting service.

6.2. CONNECTION OF CERTAIN FACILITIES OF CUSTOMERS

6.2.1. General Regulations

- A. Customers are not permitted to enter or make connections inside the Company protector. The network interface device, when installed, provides a compartment for Customer connections.
- B. Certain Customer-provided terminal equipment may be used and Customer provided telecommunications systems may be connected with the facilities furnished by the Company for telecommunications services under certain circumstances as provided in this schedule of this Tariff.
- C. Where telecommunications service is available under this Tariff for use in connection with Customer-provided terminal equipment, protective circuitry, Customer premise wiring and jacks, or telecommunications systems, the operating characteristics of such equipment or system shall be such as not to interfere with any of the services offered by the Company.
- D. The Company shall not be responsible for the installation, operation or maintenance of any Customer-provided terminal equipment, protective circuitry, Customer premise wiring and jacks, or telecommunications systems.
- E. The Company will not be responsible to the Customer, or otherwise, if changes in the company's telecommunications facilities, equipment, operations or procedures, render the Customer-provided terminal equipment, Customer premise wiring and jacks, or protective circuitry obsolete, or require modification or alteration of such equipment.
- F. Where any Customer-provided equipment, wiring, jacks, protective circuitry or system is used with telecommunications service in violation of any of the provisions in this Tariff or other governing Tariffs, the Company will take such immediate action as necessary for the protection of its services, and will promptly notify the Customer of the violation. The Customer shall discontinue such use of the equipment or system, or correct the violation, and shall confirm in writing to the Company within 10 days, following the receipt of written notice from the Company, that such use has ceased or that the violation has been corrected. Failure of the Customer to discontinue such use or to correct the violation and to give the required written confirmation to the Company within the time stated above, shall result in suspension of the Customer's service until such time as the Customer complies with the provisions of this Tariff.
- G. The Customer must provide all the electrical power necessary for the operation of Customer-provided telecommunications systems, equipment, and associated lines to the point of interconnection.
- H. Terminal equipment and protective circuitry as specified above may be directly connected to the Company's exchange facilities in accordance with the terms and conditions of this Tariff.

Issued:

Effective:

ESTABLISHMENT AND FURNISHING OF SERVICE

7. ESTABLISHMENT AND FURNISHING OF SERVICE

7.1. APPLICATION FOR SERVICE

- 7.1.1. Applications for service become contracts when accepted by the Company, or upon the establishment of service. The terms and conditions specified in such contracts are subject to these Tariffs, for the particular exchange from which service is to be furnished. Any change in the provisions of this Tariff shall act as a modification of the contract to that extent, upon filing without further notice.

7.2. TELEPHONE NUMBERS

- 7.2.1. A non-recurring charge may apply on all telephone number changes made at the Customer's request.
- 7.2.2. If available, telephone numbers may be reserved for future use as requested by the Customer. The Company reserves the right to change or use the reserved telephone number or Central Office designation, or both, whenever it is deemed advisable in the conduct of its business to do so. The Company may charge the Customer to reserve numbers.
- 7.2.3. Should it become necessary to change telephone numbers, reserved telephone numbers and/or Central Office designation, the Customer will be given notice of the change or cancellation.

7.3. PAYMENT FOR SERVICE

- 7.3.1. The Customer is required to pay all charges for exchange services and facilities, and for toll messages in accordance with provisions contained elsewhere in these schedules. The Customer is held responsible for all charges for telephone service rendered at his telephone, both exchange and toll, including but not limited to, collect and third number toll messages.
- 7.3.2. Bills
- A. Regular monthly bills are due within 15 days after the mailing date of the bill. Customers are normally provided one copy of the regular monthly bill. Additional copies may be provided at a charge of \$2.50 per copy.
- 7.3.3. Rendering of Bills
- A. Flat Rate Service - Bills for Flat Rate Exchange Service will be rendered monthly in advance.
- 7.3.4. Collections
- A. The bill becomes delinquent after the fifteenth (15) day following the billing date. The Customer may pay a delinquent account at any time prior to the actual suspension of service provided that payment is received at the Company's office within four (4) hours of the time of the actual suspension of service shall not affect the right to discontinue service for nonpayment of the account.
- B. A 1.5% late payment charge will be applied to the balance of the bill that is not paid by the 25th day after the billing date. The late payment charge will appear on the next month's bill.
- C. The Company will charge a late charge for any returned payment.

Issued:

Effective:

ESTABLISHMENT AND FURNISHING OF SERVICE

7. ESTABLISHMENT AND FURNISHING OF SERVICE (continued)

7.3.4. Collections (Continued)

- D. The Company will charge to reconnect each line that has been disconnected for non-payment.

7.4. DISCONTINUATION OF SERVICE

- 7.4.1. A Customer shall be responsible for all service rendered up to and including any prospective date specified by the Customer for the discontinuance of service.

7.5 MAINTENANCE AND REPAIRS

7.5.1. Maintenance of Company Owned Facilities

- A. All ordinary expense of maintenance and repair of Company owned facilities, unless otherwise specified in the Company's Tariff, is borne by the Company. The Customer agrees to take good care of the facilities and all accessories connected therewith. In case of loss of, damage to, or destruction of any of the Company's facilities, or accessories, not due to ordinary wear and tear, the Customer is responsible for the cost of restoring the facilities to original condition.

7.5.2. Maintenance of Customer Owned Equipment

- A. When the Company makes a repair visit and determines that the trouble is caused by facilities for which the Customer is responsible, the Company will inform the Customer that the trouble is in facilities for which the Customer is responsible. The Company will not provide repairs to facilities for which the Customer is responsible under this Tariff.

7.6. TERMINATION OF SERVICE

- 7.6.1. Service may be terminated prior to the expiration of a contract period upon notice being given to the Company, and upon payment of the termination charges given below, in addition to all charges due for service which has been furnished.

- A. In the case of service for which the contract period is one month or less, charges for one full month shall apply.

7.8. DEPOSIT NOT TO AFFECT REGULAR COLLECTION PRACTICES

- 7.8.1. The fact that a deposit has been made shall in no way relieve the applicant or Customer from complying with the Tariff as to advance payments and the prompt payment of bills by the due date nor constitute a waiver or modification of the regular practices or the Company providing for the suspension of service for non-payment of any sums due the Company for services rendered. The Company may suspend service to any Customer failing to pay current bills without regard to the fact that such Customer has made a deposit with the Company to secure payment of such bills or has furnished the Company with a guarantee in writing of such bills.

TARIFF

ALLTEL COMMUNICATIONS, INC.
South Carolina

SECTION 8
Original Page 1

Issued:

Effective:

TELEPHONE DIRECTORIES

8. TELEPHONE DIRECTORIES

8.1. DISTRIBUTION

- 8.1.1. At the discretion of the Company, directories of other telephone companies may be furnished, when available, to the Company's Customers at a cost based on the charges so specified by the company supplying the directory.

TARIFF

ALLTEL COMMUNICATIONS, INC.
South Carolina

SECTION 9
Original Page 1

Issued:

Effective:

LOCAL EXCHANGE SERVICE

9. LOCAL EXCHANGE SERVICE

9.1. LOCAL EXCHANGE RATE SCHEDULE

9.1.1. Application

- A. The monthly rates are for a period of one month, payable monthly in advance, and entitle the Customer to exchange telephone service within the local calling area as specified in Section 4.4 of this Tariff.
- B. Rates for local exchange service include the provision of initial diagnostics required to determine whether a service problem is caused by facilities for which the Company is responsible or facilities for which the Customer is responsible. Local exchange service however does not include the provision of actual repairs to facilities for which the Customer is responsible, nor does it provide specific diagnostics regarding the facilities for which the Customer is responsible.
- C. The Local Exchange Rates listed in Section 9.2 of this Tariff are the monthly rates, unless expressly stated otherwise. Discounts for volumes and longer periods of contract are available upon request.

9.2 LOCAL EXCHANGE RATES

Monthly Rates

ACCESS LINES

- Standard Business Line
- Enhanced Business Line
- PBX Trunk
- DID Trunk
- DID #s - Per 100 Block
- ISDN
 - BRI
 - PRI - Access
 - PRI - Per Channel
 - PRI - Back-Up Channel
- Centrex 1000
- Centrex 2000
- Centrex 3000
- Centrex 4000
- Centrex ACD Capability - per Agent Fee
- Centrex ACD Management Feature - per Agent Fee
- Digital Channel Service - Access
- Digital Channel Service - Per Channel
- Digital Channel Service - Per Channel with DID
- Digital Channel Service - DID Number Blocks 100

VERTICAL SERVICES

- Voice Mail: Basic
- Voice Mail: Deluxe
- Caller ID - Number
- Caller ID - Name
- Call Waiting

Issued:

Effective:

LOCAL EXCHANGE SERVICE

9. LOCAL EXCHANGE SERVICE (continued)

9.2 LOCAL EXCHANGE RATES (continued)

Per Use Rates

LOCAL OPERATOR SERVICES

Directory Assistance
(per call, maximum of two numbers per call)
Operator Verify (each call)
Operator Interrupt (each call)

- 9.2.1. Actual rates can not be determined until interconnection and/or resale agreements are entered into with applicable incumbent local exchange carriers (ILECs). Rates for the listed services herein will be competitive with rates for similar services offered by the ILEC.

Issued:

Effective:

PROMOTIONAL OFFERINGS

10. Promotional Offerings

10.1 Special Promotions

The Company may make promotional offerings of its tariffed services which may include reducing or waiving applicable charges for the promoted services. No individual promotional offering will exceed six months in duration, and all promotional offerings will be extended on a nondiscriminatory basis to any customer similarly classified who requests the specific offer. At the Company's option, a letter outlining the promotion may be filed with the Commission Staff in lieu of filing language in the tariff.

Issued:

Effective:

SPECIAL ARRANGEMENTS

11. Special Arrangements

11.1 Individual case Basis (ICB) Arrangements

Arrangements may be developed by the Company and, at the Company's discretion, offered to customers on a case-by-case basis taking into account special customer considerations including, but not limited to volume or term commitments or in response to a bona fide special request from a Customer or prospective Customer to develop a competitive bid for a service not generally offered under this tariff. ICB rates and terms will be offered to the Customer in writing.